PROVINCIAL AUDITOR
of Saskatchewan

2016 Report - Volume 2

Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan

PROVINCIAL AUDITOR
of Saskatchewan

November 16, 2016

The Honourable C. Tochor
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *2016 Report – Volume 2*, to be laid before the Legislative Assembly in accordance with the provisions of section 14.1 of *The Provincial Auditor Act*.

Respectfully yours,

Judy Ferguson

Judy Ferguson, FCPA, FCA
Provincial Auditor

/gb

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2016 Report – Volume 2

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Overview by the Provincial Auditor

1.0 REPORT OVERVIEW

Through *The Provincial Auditor Act* (Act), the Legislative Assembly has made the Provincial Auditor its independent auditor. It makes the Provincial Auditor responsible for auditing the Government of Saskatchewan, including all of its agencies. These agencies include ministries, regional health authorities, school divisions, Crown corporations, commissions, benefit plans and funds, etc. **Appendix 1** lists agencies subject to audit under the Act.

Under the Act, the Provincial Auditor reports to the Legislative Assembly on the results of all examinations, and highlights matters that require the attention of legislators.

This Report (Volume 2) includes the results of our examinations completed by October 27, 2016. Consistent with past reports, we have organized these results into three sections. In addition, we summarize activities related to our work of two key legislative committees. The following provides an overview of each section of the Report.

Annual Integrated Audits

This section of the Report includes the results of annual integrated audits of about 170 agencies with fiscal year ends between January 2016 and July 2016. For the first time, Volume 2 includes the results of the annual audits of the Crown Investments Corporation of Saskatchewan (CIC) and its related subsidiaries (CIC Crowns). This is the result of the Government's November 2015 decision to change the fiscal year-end of CIC Crowns from December 31 to March 31. The Office previously reported the results of these audits in its Volume 1.

This section reports concerns with financial-related controls (including governance controls) at 25 agencies comprised of 13 ministries, 10 Crown agencies, 1 CIC Crown, and 1 benefit plan.

Integrated audits are annual audits of agencies that examine:

- The effectiveness of their financial-related controls to safeguard public resources with which they are entrusted
- Their compliance with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing
- The reliability of the financial statements for those agencies that prepare them

Financial-related controls (financial rules and procedures) include processes to plan, evaluate, and co-ordinate the financial activities of an agency. Effective controls help agencies achieve their objectives, and sustain and improve performance.

Similar to prior reports, the bulk of these concerns relate to incomplete or untested disaster recovery plans for critical IT systems, and agencies not removing unneeded IT user access promptly from those systems.

Having solid IT controls is critical today as many government agencies rely on IT systems to deliver their services. Controls over IT require ongoing attention. The Office continues to find some agencies do not give IT sufficient ongoing attention.

Performance Audits

This section of the Report includes the results of eight performance audits covering a broad range of topics. One-half of these are audits of agencies within the health or education sector. The Office focuses on this sector in that almost two-thirds of the Government's spending is on health and education. Below highlights three performance audits.

Performance audits take a more in-depth look at processes related to management of public resources or compliance with legislative authorities.

Chapter 25—Cypress Regional Health Authority—Delivering Accessible and Responsive Ambulance Services: Cypress Regional Health Authority (Authority) provides ground ambulance services to almost 45,000 residents who live within its region of about 44,000 square kilometres.

The Office examined the Authority's processes for delivering accessible and responsive ambulance services. It made seven recommendations, and its findings included the following.

The Authority had properly trained and qualified emergency medical personnel; they operated properly maintained and equipped ambulances located in 12 communities. The Authority operates directly in seven communities, and ambulance service providers, under contract with the Authority, operate in five communities. Because of low call volume in most of these locations, many emergency medical personnel are employed on an on-call basis. The Authority's cost per call varied from $476 to $7,082 in 2015-16.

The Authority's contracts with its five ambulance service providers did not include service quality expectations (e.g., response target times) or require key reporting (e.g., incident reports). Legislation, currently in place, restricts the Authority's ability to update, terminate, or renew contracts with its service providers. Weak contracts make monitoring difficult.

In addition, the Authority did not actively monitor or meet all provincial ambulance response-time targets. In 2015-16, its ambulances arrived on scene within 30 minutes of the emergency call, on average, 83% of the time—below the provincial target of 90% of the time. Nine of its twelve ambulance operators were below this provincial target; four of the nine operators responded within the 30-minute time target, on average, between 60% and 69% of the time. The Authority had not analyzed why responses took longer than expected nor had plans to improve response times. Delays in response times may contribute to negative patient outcomes.

Differences exist in the costs and approaches used to deliver ambulance services for similar populations and geographic areas. To date, sharing of experiences and best practices in Saskatchewan on ambulance service delivery and approaches has been limited. A Ministry of Health-led assessment could identify cost-effective approaches to delivering ambulance services in Saskatchewan, and confirm they are appropriately located.

Chapter 28—Justice—Planning for Inmate Capacity of Adult Correctional Facilities: Over the past 10 years, Saskatchewan's adult inmate population has grown by 51%, mainly due to a 104% increase in the number of inmates on remand. This significant growth creates challenges in planning facility capacity for housing and rehabilitating adult inmates in Saskatchewan's 12 provincial correctional facilities. Short-term measures to provide additional housing for inmates (such as Saskatchewan's current use of double bunking and converting rehabilitation program and visitor space into living space) are not sustainable.

Inmate facility capacity planning considers space that inmates require for both living and rehabilitation programming at the present and in the future. Inmate facility capacity planning is complex and involves a large number of parties.

The Office examined the Ministry of Justice's processes to plan for inmate capacity of provincial adult correctional facilities. It made six recommendations, and its findings included the following.

While Justice had undertaken various projects and initiatives to alleviate pressures resulting from a growing inmate population, it did not have a written long-term plan or guidance to guide the development of such a plan. In addition, it had not forecasted demand for rehabilitation program space, or completed its analysis of alternatives to meet needs for adult correctional facility inmate living and program space.

Analysis of alternatives, including those that do not involve major construction or renovation of facilities, would provide a foundation for developing long-term strategies to plan for inmate capacity in its facilities. Saskatchewan's growing adult inmate population increases the need for Justice to forecast demand and complete its analysis of alternatives as soon as possible.

Poor facility capacity planning can lead to using public resources inefficiently or operating over the capacity of the correctional facilities. Operating over the capacity of facilities can increase risks of violence and illness for inmates, make separating incompatible inmates (e.g., gang members) challenging, cause workplace hazards and risks, and reduce space for rehabilitation programming which may hinder the effectiveness of this programming. A long-term plan would help Justice have the right space to provide adequate housing and rehabilitation programming to adult inmates at the right time.

Chapter 29—Regina Roman Catholic Separate School Division No. 81—English as an Additional Language Programming: English-language proficiency is a key factor in students' academic success. From 2012 to 2015, overall enrolments of students registered in Saskatchewan Grades 1 to 8 English as an Additional Language (EAL) programs increased by 38%. Increased immigration to Saskatchewan during this period contributed to this increase.

The Office examined the processes Regina Roman Catholic Separate School Division No. 81 uses to provide EAL programming to support the academic success of immigrant Kindergarten to Grade 8 (K-8) students. It made four recommendations, and its findings included the following.

Regina Catholic's informal process to estimate K-8 EAL student enrolment did not produce reliable estimates. It did not revise its estimates for the last four years even though significant differences between its estimate and actual increases occurred for three of those years. Reliable estimates of student enrolment would provide Regina Catholic with better information to help it determine resources (teachers and other supports) needed for EAL programming. Without reliable forecasts of students, it may not assign the right amount of resources to provide EAL students with appropriate support.

145 K-8 students requiring EAL support (14.9% of total EAL K-8 students requiring support) at the beginning of the 2015-16 school year, and 96 K-8 students requiring EAL support (9.5%) at the end of the year did not receive it. Regina Catholic had not developed specific plans to address the needs of these students and was unable to provide analysis to support its EAL teaching resource decisions.

Not having sufficient EAL teachers could result in EAL students not progressing in their English-language acquisition. The longer it takes EAL students to learn English, the harder it is for them to succeed in their academic studies, which can affect when and if they graduate.

Other Performance Audits: The following is a quick recap of the other performance audits in the Report:

Chapter 24—Advanced Education—Approving Capital Projects: The Ministry of Advanced Education, along with SaskBuilds, co-ordinates infrastructure planning for the Saskatchewan post-secondary sector. Capital projects are investments in infrastructure. The Ministry needs to give post-secondary institutions timely feedback about capital project requests not approved. Feedback would provide institutions with insight on what to change when making future requests.

Chapter 26—Finance—Public Employees Benefits Agency—Securing Personal Information: The Public Employees Benefits Agency, a branch of the Ministry of Finance, needs to update its non-IT policies and make all of its procedures used for securing personal information readily accessible to its staff. This would reduce the risk of employees not properly securing personal information (e.g., inadvertently disclosing benefit or pension plan participant information).

Chapter 27—Health—Special Needs Equipment for Persons with Disabilities: To actively manage waitlists for special needs equipment (e.g., wheelchairs, hospital beds) the Ministry of Health needs strategies so clients receive requested equipment within an acceptable timeframe. This includes collecting equipment on loan that is no longer in use so that it is available for clients in need. Having clients wait longer than necessary can negatively affect the quality of their lives putting additional pressure on the health care system. In addition, the Ministry needs to make sure equipment is appropriately maintained to mitigate the risks of equipment breakdown and injuries to clients.

Chapter 30—Western Development Museum—Permanently Removing Historical Artifacts: The Western Development Museum needs better guidance to help it systematically remove historical artifacts from its collection of over 75,000 artifacts. Use of information in its database would aid it in deciding which artifacts to remove, and when. Methodically removing artifacts helps make preservation of artifacts manageable, relieves storage space pressures, and, as such, helps control costs.

Chapter 31—Workers' Compensation Board—Co-ordinating Injured Workers' Return to Work: Workers' Compensation Board needs to increase employer, employee and healthcare professionals' submission of properly completed injury and progress reports for its return-to-work program. Timely receipt of these reports would facilitate effective co-ordination of the program. It needs to verify the completeness and currency of return-to-work plans, and address impediments to timely recovery of injured workers. In addition, it needs to track and analyze key information about the quality and timeliness of its program. This would help it identify opportunities to use the program to reduce the duration of time-loss claims. In 2015, the average duration of its time-loss claims of 38.92 days was higher than its target of 35.5 days.

Audit Follow Ups

This section of the Report includes the results of 18 follow-ups. **Figure 1—Summary of Results of Audit Follow Ups** summarizes the status of recommendations by agency by follow-up. The Office, systematically, assesses the status of outstanding audit recommendations to determine whether agencies have made recommended improvements.

Audit follow-ups are assessments of the sufficiency of actions taken to address recommendations made in our past performance audits, and those made by standing committees on Public Accounts and on Crown and Central Agencies from their review of our reports. We do the first follow-up either two or three years after our initial audit, and every two or three years thereafter until the recommendations are implemented.

The Office found that agencies had implemented almost three-quarters of the recommendations it followed up, and were making good progress on implementing about one-fifth of the remaining. In the Office's view, implementation of recommendations reflects a culture of being receptive to improving administration and management of public money.

The Office is particularly impressed with the pace in which the following two agencies implemented recommendations it made just two years ago—**Conseil scolaire fransaskois** and **South East Cornerstone School Division No. 209.**

In 2014, the Office reported that the Conseil scolaire fransaskois—Saskatchewan's first-language French school system—did not have effective financial management and governance practices. By September 2016, the Conseil scolaire fransaskois had implemented all 10 recommendations from that audit. It established governance and financial policies and procedures key to managing its financial operations, along with processes to develop required Board competencies. Effective financial management and governance practices facilitate maintaining reliable financial records, and monitoring of financial performance and use of public resources.

In 2014, the Office reported the need for the South East Cornerstone School Division to improve its processes for promoting positive student behaviour. By September 15, 2016, the South East Cornerstone School Division had implemented all nine recommendations from that audit. Improvements included schools developing Safe and Caring School Charters, requiring complete documentation of decisions and steps taken to support positive student behaviour, having an escalation process to address continuing problem student behaviour, setting clear expectations for training staff on student behaviour initiatives, and giving the results of its student-behaviour initiatives to its Board. Student behavior influences the extent and quality of education received by students. Promoting positive student behaviour and addressing problem behaviour is paramount in encouraging student success and providing a safe learning environment at schools.

Figure 1—Summary of Results of Audit Follow Ups

Chapter Name	Related Report[A, B]	Number of Recommendations	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No longer Relevant
Initial Follow Ups						
Central Services—Use of Consultants	2014 Report – V2	5	3	1	-	1
Conseil scolaire fransaskois—Financial Management and Governance Practices	2014 Report – V2	10	10	-	-	-
eHealth Saskatchewan— Sharing Patient Data	2014 Report – V1	5	3	2	-	-
Government Relations—Assessing Public Concerns	2014 Report – V2	4	4	-	-	-
Health Quality Council—Co-ordinating the Use of Lean	2014 Report – V2	5	3	2	-	-
Prince Albert Parkland Regional Health Authority—Home-Care Services	2014 Report – V2	12	9	3	-	-
Saskatchewan Rivers School Division No. 119—Maintaining Facilities	2014 Report – V2	5	1	4	-	-
Saskatoon School Division No. 13—Goods and Services Procurement Processes	2014 Report – V2	11	6	1	4	-
South East Cornerstone School Division No. 209—Promoting Positive Student Behaviour	2014 Report – V2	9	9	-	-	-
Water Security Agency—Co-ordinating Flood Mitigation	2014 Report – V2	2	-	1	1	-
Initial Follow Ups Subtotal		**68**	**48**	**14**	**5**	**1**
Subsequent Follow Ups[C]						
Agriculture—Irrigation Infrastructure Maintenance	2011 Report – V2 2014 Report – V2	2	2	-	-	-
Finance—Oversight of Information Technology	2009 Report – V3 2011 Report – V2 2013 Report – V1 2015 Report – V1	2	2	-	-	-
Justice—Maintenance Enforcement	2012 Report – V1 2014 Report – V1	3	1	1	1	-
Justice—Monitoring Provincial Policing Services Delivered by the RCMP	2009 Report – V1 2012 Report – V2 2014 Report – V2	1	1	-	-	-
Prairie North Regional Health Authority—Hospital-Acquired Infections	2011 Report – V2 2013 Report – V2	2	2	-	-	-
Saskatchewan Indian Gaming Authority Inc.—Information Technology Threat and Risk Assessment	2012 Report – V2 2014 Report – V2	4	4	-	-	-

Chapter Name	Related Report [A, B]	Number of Recommendations	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No longer Relevant
Water Security Agency—Dam Safety	2005 Report – V1 2007 Report – V3 2010 Report – V2 2012 Report – V2 2014 Report – V1	2	-	2	-	-
Water Security Agency—Risks to Water Supply	2010 Report – V2 2013 Report – V2	2	2	-	-	-
Subsequent Follow Ups Subtotal		**18**	**14**	**3**	**1**	**-**
Overall Total		**86**	**62**	**17**	**6**	**1**

Source: Compiled by Provincial Auditor of Saskatchewan.
[A] V – means Volume.
[B] The related Report reflects the report in which: the Office first made the recommendation(s) (for initial follow ups); and the Office last reported on the status of implementation of outstanding recommendations (for subsequent follow ups).
[C] For "Subsequent Follow Ups", the "Number of Recommendations" is the number of recommendations that remained not implemented after the previous follow up.

Legislative Committee Updates

This section includes two chapters—one on the Standing Committee on Public Accounts (PAC) and another on the Standing Committee on Crown and Central Agencies (CCAC). Each chapter provides an overview of the Committee's role and responsibilities as they relate to the work of the Office.

The Legislative Assembly has charged each Committee with the responsibility for reviewing the work of the Office. Both Committees report the results of their review (findings and recommendations) to the Legislative Assembly.

The Office appreciates the timelines of PAC's review of the Office's work and reports. As reported in **Chapter 51—Standing Committee on Public Accounts**, PAC met three times between April 2016 and September 2016. By September 2016, PAC has almost completed its review of our *2015 Report – Volume 1*, and has commenced its review of all but one report—the *Special Report: Land Acquisition Processes* issued on June 30, 2016.

As reported in **Chapter 50—Standing Committee on Crown and Central Agencies**, CCAC met nine times between April 2016 and September 2016. CCAC has diverse responsibilities as a policy field committee—including the responsibility for reviewing chapters in our reports related to CIC and its subsidiaries. At the time of this Report, CCAC was behind in its review of those chapters. CCAC last met in September 2015 to consider chapters. It has plans to meet in December 2016 to discuss some of them.

Timely review of the Office's reports by PAC and CCAC (including their discussions with and questioning of government officials) promotes transparency and better management of government operations.

2.0 ACKNOWLEDGMENTS

The Office appreciates and thanks the staff and management of all government agencies along with their appointed auditors (if any) for the co-operation it received in the completion of the work included in this Report.

In addition, as Provincial Auditor, I thank the Provincial Auditor team for their diligence, commitment, and professionalism. Only through their hard work can we fulfill our mission—*We promote accountability and better management by providing Legislators and the public with an independent assessment of the government's use of public resources.*

Provincial Auditor Team		
Agioritis, Ani	Amyotte, Tanner	Bachelu, Gaylene
Borys, Angèle	Calder, Mindy	Carlson, Troy
Clemett, Tara	Deis, Kelly	Dickin, Deann
Dressler, Nicole	Drotar, Charlene	Fischer, Dean
Forbes, Krysten	Griffiths, Clinton	Halladeen, Aaron
Hallberg, Angie	Heebner, Melanie	Iles, Amanda
King, Mark	Kirton, Maygen	Klassen, Linda
Lam, Betty	Lindenbach, Michelle	Longstaff, Lindsay
Lowe, Kim	Ludwig, Carly	Mantyka, Scott
McIntyre, Mitchell	McKillop, Steven	McNaughton, Jordan
Novakovski, Jade	O'Quinn, Carolyn	Oyebode, Tolu
Pattullo, Candice	Pillipow, Katie	Pituley, Jonathan
Rau, Brent	Reimer, Dane	Robertson, Jennifer
Russell, Stephanie	Schwab, Victor	Scott, Doug
Shamrai, Alla	Shaw, Jason	Sommerfeld, Regan
St. John, Trevor	Stroh, Evan	Sych, Larissa
Tomlin, Heather	Toukhi, Shokoufa	Trivedi, Devanshi
Volk, Rosemarie	Wandy, Jason	Warkentin, Megan
Watkins, Dawn	Wolfond, Josh	Yanyu, Melissa
Yee, Ken	Young, Kristen	

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Chapter 1
Advanced Education

1.0 MAIN POINTS

This chapter reports the results of the 2015-16 annual audits of the Ministry of Advanced Education (Advanced Education) and its agencies.

Advanced Education and its agencies complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2015-16 financial statements of each of Advanced Education's agencies are reliable. Advanced Education and its agencies had effective rules and procedures to safeguard public resources except Advanced Education needs to sign an adequate agreement on disaster recovery of computer systems and data with the Ministry of Central Services.

2.0 INTRODUCTION

Advanced Education is responsible for the post-secondary education system that supports a growing Saskatchewan and leads to a higher quality of life. Saskatchewan's post-secondary system provides support to the province's labour force development.[1]

2.1 Financial Overview

For the year ended March 31, 2016, Advanced Education spent $772 million on its programs and had revenues of $12.8 million (including $8.9 million from the Federal Government for cost-sharing programs). Advanced Education's *Annual Report for 2015-16* provides further details and reasons for differences between planned and actual results.[2]

Figure 1—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 15.2	$ 13.1
Student Supports	56.6	60.5
Post-Secondary Education	710.7	698.0
Total Appropriation	782.5	771.6
Capital Asset Acquisitions	-	(0.1)
Capital Asset Amortization	0.3	0.2
Total Expense	$ 782.8	$ 771.7

Source: Ministry of Advanced Education, *Annual Report for 2015-16*, p. 21.

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[1] Ministry of Advanced Education, *Annual Report for 2015-16*, pp. 2-3, 21-23.
[2] Ibid., p. 21.

2.2 Special Purpose Funds and Agencies

At March 31, 2016, Advanced Education was responsible for seven regional colleges each with year-ends of June 30, 2016. We report the results of our audits of the regional colleges in Chapter 23, Summary of Implemented Recommendations. Advanced Education was also responsible for the following special purpose funds and agency (agencies) reported in this chapter:

Year-End	Agency
March 31	Saskatchewan Student Aid Fund
March 31	Training Completions Fund
June 30	Saskatchewan Polytechnic (We carried out the audit jointly with KPMG LLP)

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the years ended on or before June 30, 2016:

- **Advanced Education and its agencies had effective rules and procedures to safeguard public resources except for the matter reported in this chapter**

- **Advanced Education and its agencies complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Executive Government Administration Act
  The Ministry of Advanced Education Regulations
  The Post-Secondary Education and Skills Training Act
  The Education Act, 1995 (subsection 3[1])
  The Graduate Retention Program Act
  The Graduate Retention Program Regulations
  The Public Service Act, 1998
  The Regional Colleges Act (section 26)
  The Financial Administration Act, 1993
  The Saskatchewan Advantage Grant for Education Savings Act
  The Saskatchewan Advantage Grant for Education Savings Regulations
  The Degree Authorization Regulations
  The Private Vocational Schools Regulation Act, 1995
  The Private Vocational School Regulations, 2014
  The Saskatchewan Polytechnic Act
  The Saskatchewan Polytechnic Regulations
  The Student Assistance and Student Aid Fund Act, 1985
  The Lender-financed Saskatchewan Student Loan Regulations
  The Student Assistance and Student Aid Fund Regulations, 2001
  The Saskatchewan Student Direct Loans Regulations
  Saskatchewan Risk Sharing Student Loans Agreement
  Canada-Saskatchewan Integration Agreement
  Orders in Council issued pursuant to the above legislation

- **The financial statements of each agency are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Advanced Education and its agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We evaluated the processes related to administering grants (e.g., to post-secondary educational institutions or students), recording revenues, tendering and awarding contracts, processing payroll, and purchasing goods and services. We also assessed

Advanced Education's processes for estimating amounts payable related to the Saskatchewan Advantage Grant for Education Savings Program.

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 IT Controls Need Improvement

We recommended that the Ministry of Advanced Education sign an adequate agreement on disaster recovery of computer systems and data with the Ministry of Central Services. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

Status – Partially Implemented

Advanced Education uses the Ministry of Central Services (Central Services) to host its IT systems and data; some of these systems are key to Advanced Education's operations and include sensitive information. For example, Central Services hosts a key IT system called One Client Service Model (OCSM)[3] that contains sensitive financial information about post-secondary students and their relatives (e.g., banking information, tax and other income information, social insurance numbers, birth dates).

Also, Central Services provides Advanced Education with computers and IT network access.

During 2011-12, Advanced Education signed a Memorandum of Understanding with Central Services. The Memorandum expected Advanced Education and Central Services to reach agreement on various aspects including disaster recovery at a later date (i.e., develop schedules to augment the Memorandum).

During 2015-16, Advanced Education approved and tested a business continuity plan. This business continuity plan set out Advanced Education's plans and procedures for responding to disruptions in delivery of its services.

During 2015-16, Advanced Education continued to work with Central Services to address security issues in OCSM; it expects to complete the related schedules on disaster recovery by the end of 2017-18.

Without an agreement on disaster recovery services, neither Advanced Education nor Central Services knows whether Central Services can restore Advanced Education's key IT systems and data in the event of a disaster. Unavailable key IT systems, like OCSM, could result in Advanced Education not being able to provide timely services to the public.

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[3] Advanced Education uses OCSM to deliver training and financial assistance services to its clients.

Chapter 2
Agriculture

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Agriculture (Agriculture), its agencies, and funds for the year ended March 31, 2016. The 2015-16 financial statements of Agricultural Credit Corporation of Saskatchewan, Agricultural Implements Board, Saskatchewan Crop Insurance Corporation, Prairie Agricultural Machinery Institute (agencies), and the Ministry's funds are reliable.

Agriculture, its agencies, the Horned Cattle Fund, Pastures Revolving Fund, and Saskatchewan Agricultural Stabilization Fund each complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Agriculture, its agencies, and the Saskatchewan Agricultural Stabilization Fund had effective rules and procedures to safeguard public resources except Agriculture needs to follow procedures for removing unneeded user access to its computer systems promptly.

2.0 INTRODUCTION

The Ministry of Agriculture is to co-ordinate, develop, promote and implement the Government's policies and programs relating to agriculture and food.[1] This includes regulating certain industry practices (such as branding) and various producer-elected commodity boards (through the Agri-Food Council).

During 2015-16, Agriculture administered the following key programs:

- Knowledge-sharing services for producers (e.g., forage, farm business management, livestock, crops, and irrigation)
- Business risk-management programs (e.g., Crop Insurance, AgriStability,[2] AgriInvest, Western Livestock Price Insurance Program)
- Growing Forward 2 programming (e.g., Farm Business Development Initiative, Farm and Ranch Water Infrastructure Program, Saskatchewan Agri-Value Initiative, Livestock Traceability Rebate, Market Development Program, Agriculture Awareness Initiative)[3]
- Research programs (e.g., Agriculture Development Fund, Agriculture Demonstration of Practices and Technologies, Agriculture-Applied Research Management, Strategic Research Program at the University of Saskatchewan and the Western Beef Development Centre)

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[1] *The Ministry of Agriculture Regulations, 2007.*
[2] AgriStability is a large and complex business risk-management program.
[3] Growing Forward 2 is a federal-provincial-territorial policy framework of agricultural programs.

For the year ended March 31, 2016, Agriculture had 372.5 full-time equivalent (FTE) employees.[4]

2.1 Financial Overview

At March 31, 2016, Agriculture held agricultural lands, buildings, and equipment with a net book value of $62.8 million (2014-15: $63.8 million).

In 2015-16, Agriculture had revenues of $155.0 million (2014-15: $124.9 million) comprised primarily of transfers from the Federal Government for agricultural programs, land leases, and Crown land sales. Also in 2015-16, Agriculture spent $345.2 million (2014-15: $355 million)[5] comprised primarily of grants (transfers) to other agencies and funds such as $201.9 million to Saskatchewan Crop Insurance Corporation for the Crop Insurance and AgriStability programs.

Figure 1—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 11.3	$ 9.1
Policy and Planning	3.0	2.4
Research and Technology	26.7	36.3
Regional Services	40.4	33.1
Land Management	6.4	6.1
Industry Assistance	7.6	6.4
Financial Programs	26.2	11.6
Business Risk Management – Crop Insurance, AgriStability, and AgriInvest	240.0	238.3
Total Appropriation	361.6	343.3
Capital Asset Acquisitions	(2.0)	(0.4)
Capital Asset Amortization	2.8	1.9
Other	0.0	0.4
Total Expense	$ 362.4	$ 345.2

Source: Ministry of Agriculture, *2015-16 Annual Report*.

Agriculture's annual report[6] provides further detail on its revenues and expenses including reasons for differences from its approved budget.

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[4] Ministry of Agriculture, *2015-16 Annual Report*, p. 19.

[5] Government of Saskatchewan, *Public Accounts 2014-15 Volume 2 Details of Revenue and Expense*, p. 39.

[6] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16AgricultureAnnualReport.pdf (17 August 2016).

2.2 Agencies and Funds

Agriculture is responsible for various agencies and funds that administer and support agricultural programs in Saskatchewan.[7] Each of the following agencies and funds has a March 31 year-end:

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Crop Reinsurance Fund of Saskatchewan
Horned Cattle Fund
Pastures Revolving Fund
Prairie Agricultural Machinery Institute[8]
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Crop Insurance Corporation

Also, Agriculture has partnered with the University of Saskatchewan in Prairie Diagnostic Services Inc. (Prairie Diagnostics) to provide veterinary diagnostic services to Saskatchewan veterinary and livestock industries.

3.0 AUDIT CONCLUSIONS AND SCOPE

We worked with the appointed auditors of the agencies and funds (see **Figure 2**), using the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[9]

Figure 2—Crown Agencies and Funds with an Appointed Auditor

Year-End	Agency	Appointed Auditor
March 31	Saskatchewan Agricultural Stabilization Fund	KPMG LLP
March 31	Agricultural Credit Corporation of Saskatchewan	MNP LLP
March 31	Saskatchewan Crop Insurance Fund	KPMG LLP
March 31	Crop Reinsurance Fund of Saskatchewan	KPMG LLP

In our opinion, for the year ended March 31, 2016:

- **Agriculture, its agencies, and the Saskatchewan Agricultural Stabilization Fund had effective rules and procedures to safeguard public resources except for the matter reported in this chapter**

- **Agriculture, its agencies, and the Horned Cattle Fund, Pastures Revolving Fund, and Saskatchewan Agricultural Stabilization Fund complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

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[7] Agriculture also administers the Livestock Services Revolving Fund that had no active operations in 2015-16.
[8] See Chapter 23 for the status of Prairie Agricultural Machinery Institute's outstanding recommendation.
[9] See our website at www.auditor.sk.ca/publications/resources.

The Agri-Food Act, 2004
The Agri-Food Regulations, 2004
The Agricultural Credit Corporation of Saskatchewan Act
The Agricultural Credit Corporation of Saskatchewan Regulation, 1989
The Agriculture Implements Act
The Agriculture Implements Regulations, 1982
The Animal Identification Act
The Animal Products Act
The Irrigation Act, 1996
The Saskatchewan Crop Insurance Corporation Act
The Saskatchewan Crop Insurance Corporation Regulations
The Agriculture Administration Act
The Ministry of Agriculture Regulations, 2007
The Farm Financial Stability Act
The Cattle Breeder Associations Loan Guarantee Regulations, 1991
The Cattle Feeder Associations Loan Guarantee Regulations, 1989
The Excess Moisture Program Regulations, 2011
The 2013 Farm and Ranch Water Infrastructure Program Regulations
The Horned Cattle Purchases Act
The Horned Cattle Purchases Regulations, 1983
The Short-term Cattle Loan Program Regulations
The Wildlife Damage and Livestock Predation Regulations
The Financial Administration Act, 1993
The Executive Government Administration Act
The Pastures Act
The Pastures Regulations
The Provincial Lands Act
The Provincial Lands Regulations
The Public Service Act, 1998
The Purchasing Act, 2004
The Prairie Agricultural Machinery Institute Act, 1999
The Prairie Agricultural Machinery Institute Regulations, 1999
Orders in Council issued pursuant to the above legislation

Each agencies and funds' financial statements are reliable

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Agriculture and its agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Because Agriculture receives significant federal funding for various agricultural programs and provides significant grants to agricultural agencies, we paid particular attention to Agriculture's controls for managing grant payments. This included assessing its processes for awarding grants (e.g., research grants), approving grant payments, and monitoring grant recipients' compliance with funding agreements.

Also, because Agriculture estimates its costs for certain of its grant programs, such as Saskatchewan Crop Insurance and AgriStability, we examined its processes for making and recording these significant estimates. This included assessing the Ministry's processes to co-ordinate the use of and understand the related Federal Government's economic model and underlying data, and assessing the reasonableness of its process and assumptions used.

In addition, we assessed Agriculture's processes for obtaining and approving fair values for its sale of Crown land along with its processes for its key computer systems (e.g., systems used to record agricultural land, land leases and sales).

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Prompt Removal of User Access Needed

We recommended that the Ministry of Agriculture follow its established procedures to properly remove unneeded user access to its computer systems and data. (2014 Report – Volume 2; Public Accounts Committee agreement February 12, 2015)

Status – Partially Implemented

Although Agriculture has established procedures for removing unneeded user access to its computer systems and data, staff did not consistently follow them.

For example, we found two out of ten users we tested did not have network access removed until 6 to 22 days after last day of employ. In addition, in three out of ten instances we tested, employees' user access to the network and to MIDAS[10] was not removed until 2 to 6 days after last day of employ (2014-15: four instances out of ten instances where access was removed 2 to 42 days after last day of employ). Per the Ministry of Central Services' policy, it expects to be asked to remove user network access by the last day of employ.

In December 2015, the Ministry revised its user access monitoring processes to include weekly reviews of employee terminations. It used these reviews to identify where the Ministry missed requesting removal of user access, and to make such requests. The Ministry expects this new process will help consistent and more prompt removal of unneeded user access.

Not promptly removing unneeded user access increases the risk of inappropriate access to Agriculture's computer systems and data.

4.2 Approval for Grazing Agreements Obtained

We recommended that the Ministry of Agriculture obtain an Order in Council prior to entering a grazing lease agreement for land in excess of 25,000 acres as required by law. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Implemented

In 2015-16, for the grazing lease agreements for over 25,000 acres that we tested, Agriculture appropriately obtained Orders in Council. In addition, in 2015-16, Agriculture obtained Orders in Council for the two grazing lease agreements that we had identified in our *2015 Report – Volume 2* as missing such orders.

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[10] This includes both MIDAS Financials and MIDAS HR/Payroll. MIDAS is the central application Agriculture uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resource and payroll records, etc.

Chapter 3
Central Services

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Central Services (Central Services) for the year ended March 31, 2016.

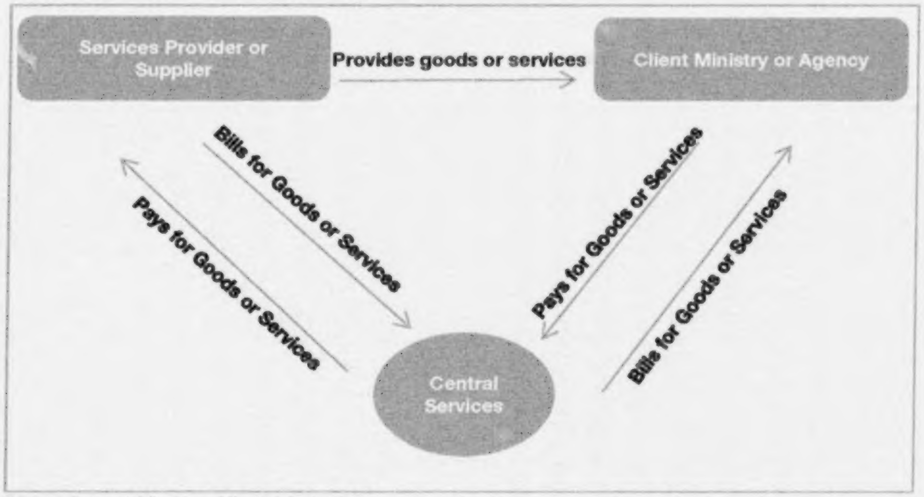
Central Services complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. It had effective rules and procedures to safeguard public resources except it did not follow Canadian generally accepted accounting principles to account for schools constructed under shared ownership agreements.

2.0 INTRODUCTION

The mandate of Central Services is to provide central co-ordination and delivery of property management, IT, procurement, transportation, and other support services (such as email and mail services) to Government ministries and agencies.

Its mandate includes the responsibility for developing, procuring, and providing goods and services to its client ministries and agencies. As shown in **Figure 1**, Central Services engages and pays service providers and suppliers for goods or services provided to ministries and agencies; and it recovers the cost of these goods or services from the ministries and agencies who receive them.

Figure 1—Ministry of Central Services Cost Recovery of Goods or Services Purchased on Behalf of its Client Ministries and Agencies


Services Provider or Supplier
Provides goods or services
Client Ministry or Agency
Bills for Goods or Services
Pays for Goods or Services
Pays for Goods or Services
Bills for Goods or Services
Central Services

Source: Provincial Auditor of Saskatchewan.

2.1 Financial Overview

At March 31, 2016, Central Services owned buildings with a replacement value of $4.5 billion.[1] During 2015-16, Central Services tendered $139.6 million in goods and services on behalf of government ministries and agencies.[2]

As shown in **Figure 2**, in 2015-16, Central Services spent $394 million, including $74 million for capital asset acquisitions.[3] In 2015-16, Central Services recovered $370 million of its costs from ministries, agencies and external clients (e.g., municipalities) for the services it provides.

Figure 2—Major Programs and Spending

	Estimates	Actual			
		Gross Expense	Recovered from:		Net Expense
			Ministries & Public Agencies	External Clients	
	(in thousands)				
Central Management and Services	$ 48	$ 48	$ --	$ --	$ 48
Property Management	8,990	182,567	(130,306)	(47,775)	4,486
Transportation and Other Services	4,410	62,334	(41,187)	(16,366)	4,781
Project Management	--	23,666	(22,797)	(869)	--
IT Division	14,546	125,140	(107,745)	(3,283)	14,112
Major Capital Asset Acquisitions	151,007	73,849	--	--	73,849
Total Appropriation	179,001	467,604	(302,035)	(68,293)	97,276
Capital Asset Acquisitions	(151,007)	(73,849)	--	--	(73,849)
Commercial Activity Deficit	--	--	--	--	--
Capital Asset Amortization	790	--	--	--	--
Total Expense	$ 28,784	$ 393,755	$ (302,035)	$ (68,293)	$ 23,427

Source: Ministry of Central Services, *2015-16 Annual Report*, pp. 28-29.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Central Services had effective rules and procedures to safeguard public resources except for its accounting for assets constructed under shared ownership agreements as reported in this chapter**

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[1] Central Services' internal records.

[2] Ibid.

[3] Ministry of Central Services, *2015-16 Annual Report*, p. 28.

Central Services complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:

The Economic and Co-operative Development Act (section 8(c), 9(1)(h), and 9(3))
The Public Works and Services Act
The Purchasing Act, 2004
The Purchasing Regulations
The Crown Employment Contracts Act
The Revenue and Financial Services Act
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Central Services' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

During our audit, we paid particular attention to Central Services' controls over managing its capital assets (e.g., verifying their existence, additions, and dispositions), tendering of and paying for construction contracts for building maintenance or improvements, and for managing assets and services procured on behalf of its client ministries and agencies and recovering the costs of those assets and services.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Shared Ownership Agreements Accounting

We recommended that the Ministry of Central Services (transferred from the Ministry of Education) follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements. (2013 Report – Volume 2; Public Accounts Committee agreement June 17, 2014)

Status – Partially Implemented

In 2014-15 the Ministry of Education transferred almost $72 million of capital assets to Central Services.[4] After receipt of the assets from the Ministry of Education, Central Services has continued to improperly account for these assets. At March 31, 2016, it had overstated its tangible capital assets by $72 million, and amortization expenses by $1.4 million.

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[4] Per section 7 of *The Public Works and Services Act*, all property within Saskatchewan acquired, repaired, maintained or improved at the expense of the Northwest Territories or Saskatchewan and not under the control of the Government of Canada and are not assigned to any other minister or ministry by law are to remain under the control of the Minister responsible for this Act (Minister of Central Services).

These tangible capital assets reflect schools constructed under contractual agreements for certain capital projects (referred to as shared ownership agreements) with seven school divisions and related land. As reported in our *2015 Report – Volume 2*, Chapter 5, the Ministry of Education had not followed Canadian generally accepted accounting principles for the public sector when it accounted for these assets in that these school divisions fully own and account for these assets in their accounting records and audited financial statements.

Central Services staff indicated that it expects to address this issue in fiscal 2016-17.

Because Central Services and the school divisions are both part of the Government, how the Ministry accounts for these assets does not affect the accuracy of the Government's Summary Financial Statements.[5]

4.2 User Access Removal Procedures Followed

We recommended that the Ministry of Central Services follow its established procedures for removing user access to its computer systems and data. (2011 Report – Volume 2; Public Accounts Committee agreement June 25, 2012)

Status – Implemented

During 2015-16, Central Services removed unneeded network user and system access in a timely manner.

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[5] During the preparation of the Summary Financial Statements, the Ministry of Finance eliminates these assets and related expense recorded by the Ministry of Central Services and only includes the amounts recorded by the school divisions.

Chapter 4
Economy

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Ministry of the Economy (Economy, Ministry).

Economy complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Economy had effective rules and procedures to safeguard public resources, except it needs to follow procedures to remove unneeded user access to its systems and data promptly.

2.0 INTRODUCTION

The mandate of the Ministry is to advance economic growth, and generate wealth and opportunity in the province. Its responsibilities include labour market development, immigration, energy and resources, and economic development, including First Nations, Métis, and northern economic development.[1]

The Ministry has four primary lines of business: petroleum and natural gas; minerals, lands, and resource policy; economic development; and labour market development.[2] Economy's 576.9 full-time equivalent employees provide services and programs through its main offices in Regina and Saskatoon, regional offices across the province, and the Canada-Saskatchewan Business Service Centre located in Saskatoon.[3]

It is responsible for a number of agencies including: Innovation Saskatchewan, Tourism Saskatchewan, Saskatchewan Research Council, Saskatchewan Health Research Foundation, and Saskatchewan Apprenticeship and Trade Certification Commission. In addition, it maintains relationships with the Global Transportation Hub, the Saskatchewan Trade and Export Partnership, and a number of training institutions (e.g., regional colleges).[4]

2.1 Financial Overview

In 2015-16, the Ministry had $1.44 billion in revenues, including $60.2 million in transfers from the Federal Government for its labour market and development programs (see **Figure 1**).

It incurred expenses of $256.1 million to deliver its programs and services (see **Figure 2**). The Ministry's *2015-16 Annual Report* provides information about its revenues and expenses, including reasons for differences between actual and planned.[5]

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[1] Ministry of the Economy, *Annual Report for 2015-16*, p. 5.
[2] Ibid.
[3] Ministry of Finance, *Government of Saskatchewan – 2015-16 Estimates*, p. 39.
[4] Ibid.
[5] www.finance.gov.sk.ca/Planningandreporting/2015-16/2015-16Economyannualreport.pdf (18 September 2016).

Figure 1—Revenues by Source

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Oil	$ 902.7	$ 555.2
Crown Land Sales	112.6	44.0
Natural Gas	11.3	9.6
Potash	796.0	556.5
Uranium	214.4	152.8
Other Minerals	29.5	48.0
Mineral Rights Tax	8.5	5.8
Sales, Services, and Service Fees	5.0	1.8
Other Revenue	3.7	4.5
Other Own-Source Revenue	60.2	60.2
Total Revenue	**$ 2,143.9**	**$ 1,438.4**

Source: Adapted from Ministry of the Economy, *2015-16 Annual Report*, p. 27.

Figure 2—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 38.5	$ 35.7
Revenue and Corporate Services	6.3	6.2
Economic Development	13.1	10.7
Tourism Saskatchewan	14.4	14.5
Labour Market Development	173.0	165.5
Petroleum and Natural Gas	14.2	12.4
Mineral, Land and Resource Policy	15.5	11.0
Performance and Strategic Initiatives	1.3	1.0
Total Appropriation	**276.3**	**257.0**
Remediation of Contaminated Sites	(5.3)	(2.7)
Capital Asset Acquisition	(2.5)	(3.5)
Capital Asset Amortization	3.0	5.3
Total Expense	**$ 271.5**	**$ 256.1**

Source: Adapted from Ministry of the Economy, *2015-16 Annual Report*, pp. 34 and 35.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Economy had effective rules and procedures to safeguard public resources except as reported in this chapter**
- **Economy complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Crown Minerals Act
The Coal Disposition Regulations, 1988
The Crown Mineral Royalty Regulations
The Crown Oil and Gas Royalty Regulations, 2012
The Delayed Payment Charge Regulations, 1970
The Petroleum and Natural Gas Regulations, 1969
The Subsurface Mineral Regulations, 1960
The Subsurface Mineral Tenure Regulations
The Economic and Co-operative Development Act (section 8(a))
The Small Business Loans Association Program Regulations
The Energy and Mines Act
The Mineral Exploration Incentive Regulations
The Ethanol Fuel Act
The Financial Administration Act, 1993
The Petroleum Research Incentive Regulations
The Freehold Oil and Gas Production Tax Act, 2010
The Freehold Oil and Gas Production Tax Regulations, 2012
The Recovered Crude Oil Tax Regulations, 2012
The Executive Government Administration Act
The Ethanol Fuel (Grants) Regulations
The Ministry of the Economy Regulations
The Labour-sponsored Venture Capital Corporations Act
The Labour-sponsored Venture Capital Corporations Regulations
The Mineral Taxation Act, 1983
The Freehold Coal Production Tax Regulations
The Potash Production Tax Regulations
The Oil and Gas Conservation Act
The Oil and Gas Conservation Regulations, 2012
The Public Service Act, 1998
The Purchasing Act, 2004
The Revenue and Financial Services Act
Orders in Council issued pursuant to the above Legislation

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Economy's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

This year in our audit, we paid particular attention to Economy's:

- Financial controls for estimating and collecting its revenues
- Controls implemented in significant IT systems used to administer its revenues and expenses
- Processes used to assess its estimate and oversee the clean-up of environmental liabilities related to abandoned uranium mine sites
- Processes to apply cash receipts to the individual customer accounts

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Need to Remove User Access Promptly

Economy did not consistently remove unneeded user access to its systems promptly

For five out of five instances we tested, both the users' MIDAS[6] and network access was not removed promptly. In these instances, MIDAS access was removed 2 to 13 days after last day of employ, and network access was removed 9 to 28 days after last day of employ.

Also, we found three more employees that did not have network access removed promptly. In these instances, network access was removed 3 to 17 days after the last day of employ.

Economy needs to consistently follow its procedures to ensure only authorized staff have access to its computer systems and data. Not promptly removing user access to its systems increases the risk of inappropriate access to systems and data.

1. **We recommend that the Ministry of the Economy follow its established procedures for removing user access to its computer systems and data.**

4.2 Plan Exists to Communicate the Benefits of the PRIME System

We recommended that the Ministry of the Economy document its plans for measuring and reporting on the expected benefits of its new oil and gas system. (2011 Report – Volume 2; Public Accounts Committee agreement October 4, 2012)

Status – Implemented

Since 2011, Economy has been undertaking an initiative called the Process Renewal and Infrastructure Management Enhancements project (PRIME project). This project entailed changes to both its business processes and oil and gas computer systems. Economy completed changes to its oil and gas computer systems in 2015-16.

During 2015-16, Economy developed a plan to measure and report on the benefits of PRIME. The plan sets out what, when, and how information on the benefits is to be reported to the public. It plans to report benefits achieved from its new oil and gas computer systems annually in its annual report. For example, it described in its *Annual Report for 2015-16* the benefits of its systems now enabling the oil and gas industry to access well licences online.

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[6] This includes both MIDAS Financials and MIDAS HR/Payroll. MIDAS is the central application Economy uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resources and payroll records, etc.

Chapter 5
eHealth Saskatchewan

1.0 MAIN POINTS

During 2015-16, eHealth Saskatchewan (eHealth) made the following improvements. It segregated incompatible duties of staff processing payments and record keeping, promptly authorized requests for changes to its accounting records, and promptly removed unneeded user access to its information technology (IT) network. Also, it took steps to improve its ability to track individual capital assets and plans to complete the remaining steps by March 2017. It made significant progress towards an approved and tested IT disaster recovery plan and was working to secure a second data centre location to ensure the Ministry of Health and regional health authorities' IT systems continue to operate in the event its main data centre fails. eHealth had not yet improved the timeliness of its bank reconciliations to make this an effective control.

eHealth Saskatchewan's 2015-16 financial statements were reliable. In addition, eHealth complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

Cabinet established eHealth under *The Crown Corporations Act, 1993*.[1] eHealth's mandate is to procure, implement, own, operate, and manage the Saskatchewan Electronic Health Record (EHR) and, where appropriate, other health information systems.

eHealth provides the Ministry of Health and the regional health authorities with some critical information technology services and operates a data centre. eHealth is the Saskatchewan health sector's primary disaster recovery provider for IT services.

eHealth also manages Saskatchewan's vital statistics registry and health registration. The vital statistics registry registers all births, marriages, deaths, stillbirths, and changes of name that occur in Saskatchewan. Health registration registers new Saskatchewan residents for provincial health coverage, and maintains the registry of residents who are eligible for benefits. eHealth issues health services cards to residents approved for Saskatchewan basic health coverage.[2]

In 2015-16, eHealth had revenues of $84.1 million (2015: $83.8 million) including grants of $71.6 million from the Ministry of Health (2015: $72.9 million), and expenses of $101.1 million (2015: $99.7 million) resulting in an annual deficit of $17.0 million (2015: $15.9 million). At March 31, 2016, it had net financial liabilities of $16.8 million (2015: net financial assets of $1.9 million) and tangible capital assets of $38.4 million (2015: $37.7 million). Most of its tangible capital assets relate to computer network hardware and system development costs.

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[1] Saskatchewan Health Information Network (SHIN) was established as a Treasury Board Crown Corporation by Order in Council 581/1997. SHIN was renamed eHealth Saskatchewan by Order in Council 734/2010.

[2] *Saskatchewan Provincial Budget 15-16 Estimates*, p. 160.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **eHealth had effective rules and procedures to safeguard public resources except for matters described in this chapter**
- **eHealth complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  eHealth's governing Orders in Council
  The Crown Corporations Act, 1993
  The Financial Administration Act, 1993
  The Executive Government Administration Act
  The Vital Statistics Act, 2009
  The Health Information Protection Act
  Regulations and Orders in Council issued pursuant to the above legislation

- **eHealth had reliable financial statements**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of eHealth's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We focused our audit effort on the following areas:

- Controls related to financial reporting and recording (such as timely approval of changes to accounting records, and timely preparation and approval of bank reconciliations) and to purchasing processes (such as whether duties in creating and paying vendors through eHealth's accounting software were appropriately separated)
- User access, change management, and recovery processes for key IT applications
- Existence and completeness of tangible capital assets and capital lease obligations, including analysis of leases approved during the year
- Accuracy and reasonableness of significant estimates including accrued vacation liability

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Timely Bank Reconciliations Needed

We recommended that eHealth Saskatchewan require staff to reconcile each of its bank accounts monthly. (2015 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

During the year, eHealth did not prepare 22 out of 36 monthly bank reconciliations within the following month. eHealth took an average of 64 days after month end to complete these bank reconciliations.

Preparing timely bank reconciliations checks the accuracy of accounting records and helps identify irregularities or errors. Lack of timely bank reconciliations increases the risk of errors, inaccurate financial records, and loss of public money without timely detection.

4.2 Disaster Recovery Plan Progressing

We recommended that eHealth Saskatchewan have an approved and tested disaster recovery plan for systems and data. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

Status – Partially Implemented

eHealth made significant progress towards an approved and tested IT disaster recovery plan. During the year, eHealth began updating its business continuity plans[3] and as part of this process conducted testing of the business continuity plan for certain business units. eHealth plans to continue to test its business continuity plans for additional business units.

eHealth is building redundancies for its key IT systems. eHealth plans to do this by establishing a second data centre location. Once the second data centre is operating, if a disruption at one data centre occurs, the other data centre would operate resulting in minimal losses to operations. eHealth plans to have the two data centres operating in the 2016-17 fiscal year.

The ability of the Ministry and regional health authorities to recover their IT systems and data depends on the adequacy of the eHealth disaster recovery plan. Without such a tested plan, eHealth, the Ministry and regional health authorities may not be able to restore their critical IT systems and data (such as the Personal Health Registration System, Provincial Lab Systems) in the event of a disaster at eHealth's data centre.

4.3 Capital Asset Verification Needed

We recommended that eHealth Saskatchewan regularly verify the existence of its capital assets and reconcile to its accounting records. (2015 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

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[3] A business continuity plan is a plan by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operation of the organization's critical operations and functions including normal operations of computerized systems. A disaster recovery plan is part of a business continuity plan.

During the year, eHealth increased the amount of detail it recorded on individual capital assets purchased to make it easier to track individual assets. eHealth plans to revise its capital asset listing to record similar information on all capital assets previously purchased after it moves certain existing capital assets to the second data centre location. eHealth anticipates to complete this by July 31, 2016. Additionally, eHealth plans to create, by March 31, 2017, a policy requiring periodic physical inspection of capital assets.

Lack of a detailed capital asset listing that can be verified increases the risk of incorrect accounting records and improper capital asset purchasing decisions.

4.4 Incompatible Duties Segregated

We recommended that eHealth Saskatchewan adequately segregate duties assigned to employees responsible for processing payments and record keeping. (2015 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

During the year, eHealth segregated key functions to prevent individual staff from being able to create vendors and enter invoices.

4.5 Changes to Accounting Records Approved

We recommended that eHealth Saskatchewan approve all requests for changes to accounting records (journal entries) before changing its accounting records. (2012 Report – Volume 2; Public Accounts Committee agreement May 12, 2014)

Status – Implemented

During the year, our test of journal entries found eHealth established and used its processes to review and approve all changes to its accounting records.

4.6 User Access to IT Systems and Data Removed

We recommended that eHealth Saskatchewan follow its processes to remove unneeded user access to its IT systems and data promptly. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

During the year, our test of changes in IT user access found eHealth established and used its processes to remove network access for individuals who are no longer employed by eHealth.

Chapter 6
Environment

1.0 MAIN POINTS

This chapter reports the results of the annual audits of the Ministry of Environment (Environment), the Fish and Wildlife Development Fund, the Impacted Sites Fund (special purpose funds), and the Water Appeal Board (Board) for the year ended March 31, 2016.

Environment, the special purpose funds, and the Board complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2015-16 financial statements of the special purpose funds and the Board are reliable.

Environment and the Board had effective rules and procedures to safeguard public resources except Environment needs to follow its procedures to remove unneeded user access to its IT systems and data promptly.

2.0 INTRODUCTION

Environment is responsible for working with Saskatchewan stakeholders to protect the province's air, land, and natural resources to achieve a high environmental standard, and to support sustainable development in the use of these resources.[1]

At March 31, 2016, Environment was responsible for the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board.

2.1 Financial Overview

In 2015-16, Environment spent $229.8 million (2014-15: $150.0 million) including net capital acquisitions of $8.0 million (2014-15: $5.5 million). Also, in 2015-16, Environment had revenue of $66.3 million (2014-15: $53.3 million) from licences and permit fees for fishing, hunting, and forestry; non-refundable deposits on beverage containers; and fire suppression cost-sharing agreements.

Information about Environment's revenues and expenditures appear in its *2015-16 Annual Report*.[2] **Figure 1** presents Environment's expenses by major program.

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[1] Saskatchewan Ministry of Finance, *2015-16 Saskatchewan Provincial Budget: Estimates*, p. 49.

[2] www.finance.gov.sk.ca/Planningandreporting/2015-16/2015-16EnvironmentAnnualReport.pdf (18 September 2016).

Figure 1—Expenses by Major Program

	Estimates 2015-16[A]	Actual 2015-16
	(in millions)	
Central Management and Services	$ 16.3	$ 15.2
Climate Change	2.6	1.1
Landscape Stewardship	4.0	3.4
Environmental Support	7.6	6.7
Fish and Wildlife	10.7	10.7
Compliance and Field Services	17.6	17.6
Environmental Protection	34.3	34.0
Forest Services	11.0	10.2
Wildfire Management	56.0	130.9
Total Appropriation	$ 160.1	$ 229.8
Capital Asset Acquisitions	(8.2)	(8.0)
Capital Asset Amortization	10.8	10.2
Non-Spending Control Items[B]	-	(4.4)
Total Expense	$ 162.7	$ 227.6

Source: *2015-16 Ministry of Environment Annual Report.*

[A] During 2015-16 the Ministry received a budget increase through a special warrant of $80 million.

[B] This number represents the change in inventory and prepaid expenses.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Environment and the Water Appeal Board had effective rules and procedures to safeguard public resources, except Environment needs to remove unneeded user access promptly**
- **Environment, the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Environmental Management and Protection Act, 2010
The Mineral Industry Environmental Protection Regulations, 1996
The Executive Government Administration Act
The Ministry of Environment Regulations, 2007
The Federal-Provincial Agreements Act
The Financial Administration Act, 1993
The Fisheries Act (Saskatchewan), 1994
The Fisheries Regulations
The Forest Resources Management Act
The Forest Resources Management Regulations
The Natural Resources Act
The Provincial Lands Act
The Provincial Lands Regulations
The Crown Resource Land Regulations
The Public Service Act, 1998
The Purchasing Act, 2004
The Water Appeal Board Act
The Water Security Agency Act
The Wildfire Act
The Wildlife Act, 1998
The Wildlife Regulations, 1981
Orders in Council issued pursuant to the above legislation

- **The financial statements of the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Environment's and the Water Appeal Board's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

This year, we paid particular attention to the following:

- Environment's processes to levy and collect lease, licence, and permit revenues; revenue from the beverage container collection and recycling program; and commercial leases on behalf of the Ministry of Parks, Culture and Sport and the Northern Municipal Trust Account
- Environment's process to estimate environmental liabilities related to contaminated sites
- The accuracy and completeness of Environment's contractual obligations

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 Timely Removal of User Access Needed

We recommended that the Ministry of Environment follows its established procedures and remove unneeded user access to systems and data promptly. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Partially Implemented

Although Environment has established procedures for removing unneeded user access to its computer systems and data, staff did not consistently follow them.

For example, 1 of the 10 users we tested did not have network access removed until 38 days after the individual's last day of employ. The Ministry of Central Services' policy expects it to be asked to remove user network access on the last day of employ. In addition, in 4 of 10 users we tested, employees' user access to the network and to MIDAS[3] was not removed until 2 to 7 days after last day of employ (2014-15: 3 of 10 users where access was removed 4 to 25 days after last day of employ).

In October 2014, Environment revised its user access monitoring processes to include weekly reviews of employee terminations using a weekly termination report. It used these reviews to identify where Environment missed requesting removal of user access, and to make such requests. In June 2015, Environment determined that the weekly termination reports it was using were incomplete. The report was fixed in July 2015.

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[3] This includes both MIDAS Financials and MIDAS HR/Payroll. MIDAS is the central application Environment uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resources and payroll records, etc.

The Ministry's monitoring of the weekly termination report improved the timeliness of removal of user access. For example, we found three instances from April to June 2015 where unneeded network user access was removed 3 to 38 days after the last day of employ. Whereas, we found two instances from July 2015 to March 2016 where unneeded network user access was removed 2 and 10 days after last day of employ.

Not promptly removing unneeded user access increases the risk of inappropriate access to Environment's computer systems and data.

Chapter 7
Finance

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Finance (Finance) and its agencies with March 31 year-ends. Finance and these agencies complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2015-16 financial statements of each of the agencies are reliable. Finance and these agencies had effective rules and procedures to safeguard public resources except for the matters reported in this chapter.

Finance administers resource surcharge revenues and continues to develop reporting models to estimate these revenues during the year. Finance needs to complete its development and implementation of these models to accurately estimate and record these revenues.

Also, Finance did not have an adequate agreement with one of its IT service providers, the Ministry of Central Services (Central Services). Its current agreement does not set out the expected frequency of Central Services' disaster recovery testing of Finance's systems, and sharing of those test results with Finance. At March 2016, Finance did not know if Central Services was capable of fully recovering certain of its critical IT systems that Central Services hosts.

In addition, Finance continued to not publicly report planned and actual rates of return of its $1.7 billion of investments in sinking funds. The Government uses these investments to repay its debt when it becomes due.

2.0 INTRODUCTION

Finance helps the Government manage and account for public money. Its mandate is to provide options and advice to Treasury Board and Cabinet on managing and controlling the Government's finances. Its responsibilities include the following:

- Administering and collecting provincial taxes
- Arranging government financing, banking, investing, and borrowing
- Administering certain public sector pension and benefit plans
- Receiving revenues from taxation and transfers
- Controlling spending from approved appropriations
- Maintaining Ministry-wide revenue and expense systems including the financial modules of the computerized Multi-Informational Database Applications system (called MIDAS Financials)

- Providing information, advice, and analysis on:
  - Government-wide fiscal and economic policies including tax policy alternatives and budgetary decisions related to the core government operations
  - Strategic policy on matters related to public sector compensation and management or collective bargaining
  - Financial management and accounting
  - Annual performance planning, measuring, and reporting processes[1]

2.1 Special Purpose Funds and Agencies

Finance administers and is responsible for the following special purpose funds and agencies (agencies). Each of the agencies (except for the Growth and Financial Security Fund[2] and the General Revenue Fund)[3] provide the Legislative Assembly with audited financial statements; some also provide an annual report.

Figure 1—Agencies with March 31 Year-End

General Revenue Fund (GRF)[A]	Growth and Financial Security Fund
Judges of the Provincial Court Superannuation Plan	Public Employees Benefits Agency Revolving Fund
Public Employees Pension Plan	Public Service Superannuation Plan
Saskatchewan Pension Annuity Fund	Water Security Agency Retirement Allowance Plan

[A] The General Revenue Fund is comprised of all ministries of the Government. It is the fund into which all revenues are paid unless otherwise provided for by law and from which all expenses are appropriated by the Legislative Assembly.

Figure 2—Agencies with December 31 Year-End

Extended Health Care Plan	Extended Health Care Plan for Certain Other Employees
Extended Health Care Plan for Certain Other Retired Employees	Extended Health Care Plan for Retired Employees
Municipal Employees' Pension Commission	Municipal Financing Corporation of Saskatchewan
Public Employees Deferred Salary Leave Fund	Public Employees Dental Fund
Public Employees Disability Income Fund	Public Employees Group Life Insurance Fund
Saskatchewan Government Insurance Service Recognition Plan	Saskatchewan Pension Plan
Saskatchewan Power Corporation Designated Employee Benefit Plan	Saskatchewan Power Corporation Severance Pay Credits Plan
Saskatchewan Water Corporation Retirement Allowance Plan	SaskEnergy Retiring Allowance Plan
SaskPower Supplementary Superannuation Plan	

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[1] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16FinanceAnnualReport.pdf (3 October 2016).
[2] This Fund was wound up effective April 1, 2016.
[3] These Funds do not prepare financial statements and are not legally required to do so. The financial results of these funds are included in the Government's Summary Financial Statements.

2.2 Financial Overview

As shown in **Figures 3**, **4**, and **5**, for the year ended March 31, 2016, Finance administered revenues of $8.9 billion (2015: $8.7 billion), and expenses of $0.6 billion (2015: $0.6 billion). It managed gross public debt[4] of $14.4 billion (2015: $12.7 billion) and investments in sinking funds[5] of $1.7 billion (2015: $1.6 billion).[6]

Figure 4 compares actual expenses to budget by object. Finance's annual report explains significant differences between actual and estimated revenues and expenses.[7]

Figure 3—Revenue by Major Type

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Taxation	$ 6,135.6	$ 5,941.8
Non-renewable resources – resource surcharge	386.7	400.6
Transfers from government entities	786.8	832.6
Other own-source revenue	273.2	276.9
Transfers from the Federal Government	1,507.7	1,492.6
Total	**$ 9,090.0**	**$ 8,944.5**

Source: *Ministry of Finance Annual Report for 2015-16.*

Figure 4—Actual Expenses by Object

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Debt servicing	$ 285.0	$ 264.5
Salaries and benefits (includes pensions)	329.5	320.3
Goods and services	27.2	26.2
Capital asset amortization	0.6	0.5
Total Expense	**$ 642.3**	**$ 611.5**

Source: *Saskatchewan Provincial Budget 15-16 Estimates* (votes 12 and 18); Ministry of Finance 2015-16 financial records.

Figure 5—Actual Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Public service pension and benefits[A]	$ 303.8	$ 296.6
Revenue division	37.8	35.5

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[4] Gross public debt is borrowings through the issuance of debt instruments such as promissory notes and debentures.
[5] Investments in sinking funds are investments set aside for the repayment of debt.
[6] Government of Saskatchewan Summary Financial Statements – *Public Accounts 2015-16 Volume 1*, Schedule 8, p. 73.
[7] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16FinanceAnnualReport.pdf (3 October 2016).

	Estimates 2015-16	Actual 2015-16
Provincial comptrollers	11.5	9.3
Central management and services	6.5	6.3
Budget analysis	5.4	5.0
Treasury and debt management	2.1	1.9
Personnel policy secretariat	0.5	0.5
Miscellaneous	0.1	0.1
Total Appropriation – Vote 18	**$ 367.7**	**$ 355.2**
Capital asset acquisitions	(11.0)	(8.7)
Amortization of capital assets	0.6	0.5
Total Expense – Vote 18	**$ 357.3**	**$ 347.0**
Debt servicing appropriation and expense – Vote 12	285.0	264.5
Total Expense	**$ 642.3**	**$ 611.5**

Source: *Saskatchewan Provincial Budget 15-16 Estimates* (votes 12 and 18); *Ministry of Finance Annual Report for 2015-16*; Ministry of Finance 2015-16 financial records.

[A] Finance determines the estimated and actual expenses for public service pension and benefits using the cash basis of accounting instead of the accrual basis. For 2015-16, the audited Summary Financial Statements include an increase in pension and benefits costs for defined pension and benefit plans sponsored by the Ministry of Finance of $283.4 million to account for these costs on an accrual basis.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Finance and its agencies had effective rules and procedures to safeguard public resources except for the matters related to Finance reported in this chapter**
- **Finance and its agencies complied with the authorities set out in Section 5.0 governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**
- **Each agency's[8] financial statements are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Finance and the agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We examined the effectiveness of Finance and the agencies' financial-related controls used to administer the revenue listed in **Figure 3** and expenses listed in **Figures 4** and **5**, to keep reliable financial records, and to prepare reliable financial reports.

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[8] Both the General Revenue Fund and the Growth and Financial Security Fund do not prepare financial statements and are not legally required to do so. *Public Accounts – Volume 2* includes information on these funds.

Finance estimates income tax and resource surcharge revenues. We assessed its processes to assess, estimate, collect, and record these revenues. Finance also administers the GRF's bank accounts, short- and long-term debt, and short- and long-term investments (including investments in sinking funds). We assessed its processes to record and manage cash (including its bank reconciliation procedures and the opening and closing of bank accounts), buy and sell investments, and obtain and repay debt. Also, because Finance relies on its computer systems to manage its operations, we assessed its controls over key IT service providers, security, change management processes, and user access.

The law requires us to report when a special warrant approved the payment of public money. For the year ended March 31, 2016, Cabinet approved, through Orders in Council (special warrants), spending of $184.5 million; the Legislative Assembly later approved these amounts through appropriation acts.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments, and highlight actions taken on and status of previous recommendations.

4.1 Revenue Estimation Processes Need Improvement

> We recommended that the Ministry of Finance establish a process to better estimate resource surcharge revenue earned during each quarter and record this estimate each quarter. (2011 Report – Volume 2; Public Accounts Committee agreement January 13, 2014)
>
> **Status** – Partially Implemented

As reflected in **Figure 3**, 2015-16 resource surcharge revenue was $400.6 million (2014-15: $474.5 million).

In the prior year, Finance developed a more accurate reporting model for uranium and potash resource surcharge revenues. It determined that the model provided reliable estimates on an annual basis with minimal estimation errors, but does not provide reliable estimates on a quarterly basis. By August 2016, Finance had not yet used this model to estimate and record resource surcharge revenue.

During 2015-16, Finance continued to develop and test several models to estimate resource surcharge revenues for oil and gas. It determined none of the models provided reliable results (i.e., significant estimation errors resulted) and that further work was needed. It expects an estimation model will require testing over several fiscal years to ensure the model produces reliable estimates. It plans to continue this work in 2016-17.

Without effective processes to estimate and record revenues each quarter, future financial statements of the Government may contain significant errors.

4.2 Prompt Determination of Disaster Recovery Requirements Needed

We recommended that the Ministry of Finance confirm, in writing, processes and policies that the Information Technology Office (ITO)[9] uses to address its specific information technology security and disaster recovery requirements, and then identify and set up additional policies unique to the Ministry of Finance as necessary. (2006 Report – Volume 3; Public Accounts Committee agreement March 13, 2007)

Status – Partially Implemented

We found that Finance and Central Services did not always resolve identified disaster recovery issues on a timely basis. For example, by August 2016, Finance had not determined how it plans to respond to Central Services' 2011-12 notice that Central Services was unable to conclude whether it could fully recover one of Finance's systems in the event of a disaster.[10] Also, Finance does not know if Central Services is capable of recovering certain of its other critical IT systems hosted by Central Services.

During 2015-16, Finance and its other service providers continued to conduct successful disaster recovery tests on its main revenue system and the central system used by ministries for payments, payroll, and financial reporting (MIDAS).

Also, at August 2016, Finance did not have an adequate agreement with Central Services. Its existing agreement does not set out the expected frequency of Central Services' disaster recovery testing of Finance's systems and sharing of the results of such tests with Finance. Finance indicated that it plans to integrate disaster recovery testing requirements into its Memorandum of Understanding with Central Services during 2016-17.

Not requiring timely testing of disaster recovery plans and promptly resolving issues, arising from the results of such tests, increases the risk that certain of Finance's critical systems (e.g., debt system, investment system) and data may not be available to provide services in the event of a disaster.

4.3 Need to Follow Established Procedures for Removing User Access Promptly

We recommended that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly. (2010 Report – Volume 2; Public Accounts Committee agreement May 18, 2011)

Status – Partially Implemented

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[9] Effective May 2012, the Information Technology Office (ITO) was disestablished as a separate Ministry and became the Information Technology Division of the Ministry of Central Services.

[10] The Ministry of Central Services last performed disaster recovery tests on some of Finance's IT systems that it hosts in 2011-12.

Finance expects unneeded user access to its systems and data to be removed within one day of an employee's last day of employ. However, staff did not consistently follow Finance's established procedures for removing unneeded user access promptly. This increases the risk of inappropriate access and unauthorized changes to Finance's IT systems and data.

In 2015-16, we found 5 of 20 instances where user access to the network was not removed promptly (i.e., 11 to 73 days after last day of employ) (2014-15: 8 instances of 22 where access was removed 2 to 339 days after last day of employ).

During 2015-16, Finance monitored network access on a bi-weekly basis by reviewing a report showing employees who had not accessed the network in 30 days (inactive users). It used these reviews to identify where it missed requesting removal of user access, and to make such requests. Finance expects this process to result in more prompt removal of unneeded user access. However, given that the report only identifies users who are inactive after 30 days, this process alone will not result in timely removal of unneeded user access. As a result of its monitoring process, Finance identified four employees who had left the employ of the Ministry that had unneeded user access to its key systems and data. For these four employees, access was removed 27 to 50 days after the last day of employ.

4.4 Improved Reporting on Performance of Investments in Sinking Funds Needed

We recommended that the Ministry of Finance monitor and report publicly on the performance of the investments in its sinking funds. (2009 Report – Volume 1; Public Accounts Committee agreement June 25, 2010)

Status – Not Implemented with respect to reporting publicly on performance of investments in sinking funds

At March 31, 2016, the Government's investments in sinking funds of $1.7 billion accounted for almost 15% of its total financial assets.[11] **Figure 6** provides a description of investments in sinking funds.

Figure 6—Explanation of Investments in Sinking Funds and Their Purpose

Investments in sinking funds are money the Government sets aside to repay its long-term debt.

Finance's main investment objective is to optimize resources available in the sinking funds to retire debt when due. As such, when making sinking fund investment decisions, Finance considers the expected investment returns on sinking funds, risk of the investments, and desired time horizon of the investments (i.e., maturity date).

Finance invests in fixed-income securities (like provincial bonds and debentures), and short-term interest-bearing investments with staggered maturity dates. Finance holds these investments until it needs cash to repay debt. If it does not have sufficient cash from investments that recently matured, it sells some of them.

Traditionally, Cabinet has required Finance to invest amounts equal to not less than 1% of the long-term borrowings owed by the General Revenue Fund each year. Starting in 2015-16, Finance is required to invest 2% for debt pertaining to the Saskatchewan Builds Capital Plan.[A]

Source: Ministry of Finance.

[A] Standing Committee on Crown and Central Agencies, *Hansard Verbatim Report No. 45 – April 22, 2015*, p. 631.

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[11] Government of Saskatchewan Summary Financial Statements – *Public Accounts 2015-16 Volume 1*, Schedule 8, p. 73.

Although Finance actively monitors the performance of its investment in sinking funds,[12] public information on such performance remains limited as compared to The Canadian Public Sector Accounting Board's *Statement of Recommended Practice on Financial Statement Discussion and Analysis* (FSD&A).[13] This Statement of Recommended Practice suggests governments include an analysis of the rates of return on investments (e.g., comparison of planned rate of return to actual with reasons for significant differences) to further the understanding of the nature and magnitude of resources available to the government.

Currently, the Provincial Budget includes forecasted investment income as compared to budget (i.e., $120.1 million forecast for 2015-16 compared to $122.4 million budget).[14] Investment income is comprised of sinking fund earnings along with other investment income. The Budget does not disclose the amount of each of these components or planned rates of return.

The Government's Summary Financial Statements disclose information about its investments in sinking funds as set out in **Figure 7**. The Summary Financial Statements also include total actual investment income (i.e., $101.1 million for 2015-16; $137.4 million for 2014-15)[15] including $48.6 million of earnings from sinking fund investments (2014-15: $83.1 million).[16] However, as previously reported, neither the Summary Financial Statements nor accompanying FSD&A disclose the actual rate of return on sinking fund investments.

Figure 7—Information About Investments in Sinking Funds in Summary Financial Statements

	Actual 2015	Actual 2016
	(in millions)	
Cost of Investments in Sinking Funds at March 31	$ 1,614.1	$ 1,705.4
Market value of Investments in Sinking Funds at March 31	1,637.9	1,679.8
Contributions to Sinking Funds in year	105.4	103.8
Redemptions of Sinking Funds in year	345.0	67.6
Sinking Fund Earnings in year	83.1	48.6
Gains on sales of investment sales (included in Sinking Fund Earnings)	55.4	15.3

Not making public planned and actual rates of return on sinking fund investments increases the risk that legislators and the public will not know whether Finance did a good job managing the Government's significant investments in sinking funds.

While other Canadian provincial governments were not yet providing this information for their investments in sinking funds, some Saskatchewan Crown corporations do for their investments. For example, SGI and Sask Auto Fund each publish information in their annual reports to enable legislators and the public to assess their performance in managing their investments.

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[12] Finance continued to regularly compare actual investment income to budget, and use market-based benchmarks (based on the FTSE TMX Canada Mid-Term Government Bond Index) to assess the reasonableness of returns earned on its sinking fund investments. Quarterly reports, provided to senior management, included comparisons of actual returns to the FTSE TMX index and actual investment income to budget along with reasons for differences.

[13] The Canadian Public Sector Accounting Board provides governments with best practices for information to include in their financial statement discussion and analysis.

[14] *Saskatchewan Provincial Budget 16-17*, p. 70.

[15] Government of Saskatchewan Summary Financial Statements – *Public Accounts 2015-16 Volume 1*, Schedule 13, p. 78.

[16] Government of Saskatchewan Summary Financial Statements – *Public Accounts 2015-16 Volume 1*, Schedule 8, p. 73.

5.0 SUMMARY OF RELEVANT LEGISLATION

Finance:
The Executive Government Administration Act
The Ministry of Finance Regulations, 2007
The Corporation Capital Tax Act
The Corporation Capital Tax Regulations, 1984
The Financial Administration Act, 1993
The Fuel Tax Act, 2000
The Fuel Tax Regulations, 2000
The Growth and Financial Security Act
The Income Tax Act, 2000
The Insurance Premiums Tax Act
The Liquor Consumption Tax Act
The Motor Vehicle Insurance Premiums Tax Act
The Provincial Sales Tax Act
The Provincial Sales Tax Regulations
The Revenue and Financial Services Act
The Revenue Collections Administration Regulations
The Tobacco Tax Act, 1998
The Tobacco Tax Regulations, 1998
Orders in Council issued pursuant to the above legislation

Public Employees Pension Plan:
The Executive Government Administration Act
The Public Employees Pension Plan Act
The Public Employees Pension Plan Regulations, 2015
The Superannuation (Supplementary Provisions) Act
The Pension Benefits Act, 1992
The Pension Benefits Regulations, 1993
The Pension Benefits Standards Regulations, 1985 (Canada)
The Income Tax Act (Canada) (sections 147.1, 147.2, and 147.3)
The Income Tax Regulations (Canada) (sections 8501, 8505, 8512, 8514)
Orders in Council issued pursuant to the above legislation

Saskatchewan Pension Annuity Fund:
The Saskatchewan Pension Annuity Fund Act
The Saskatchewan Pension Annuity Fund Regulations
The Pension Benefits Act, 1992
The Pension Benefits Regulations, 1993
The Pension Benefits Standards Regulations, 1985 (Canada)
The Financial Administration Act, 1993
The Trustee Act, 2009
Orders in Council issued pursuant to the above legislation

Judges of the Provincial Court Superannuation Plan:
The Executive Government Administration Act
The Financial Administration Act, 1993
The Pension Benefits Standards Regulations, 1985 (Canada) (Schedule III)
The Provincial Court Act, 1998
The Provincial Court Compensation Regulations
The Provincial Court Pension Plan Regulations
The Pension Benefits Act, 1992
The Pension Benefits Regulations, 1993
The Income Tax Act (Canada) (sections 147.1, 147.2, and 147.3)
The Income Tax Regulations (Canada) (sections 8501-8504, 8512, 8514, and 8520)
The Superannuation (Supplementary Provisions) Act, (section 36.2)
Orders in Council issued pursuant to the above legislation

Public Employees Benefits Agency Revolving Fund:
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

Public Service Superannuation Plan:
The Executive Government Administration Act (section 13)
The Public Service Superannuation Act
The Superannuation (Supplementary Provisions) Act
The Superannuation Acts Uniform Regulations
The Pension Benefits Act, 1992
The Income Tax Act (Canada) (sections 147.1, 147.2, and 147.3)
The Income Tax Act Regulations (Canada) (sections 8501-8505, 8512, 8514, and 8520)
Orders in Council issued pursuant to the above legislation

Water Security Agency Retirement Allowance Plan:
The Executive Government Administration Act
The Financial Administration Act, 1993 (section 64)
The Crown Employment Contracts Act (section 8)
Orders in Council issued pursuant to the above legislation
Water Security Agency Retirement Allowance Plan Document

Chapter 8
Government Relations

1.0 MAIN POINTS

This chapter contains the results of our 2015-16 annual audit of the Ministry of Government Relations (Ministry). The Ministry complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

During 2015-16, the Ministry had effective rules and procedures to safeguard public resources except that it needs to give staff guidance for analyzing and taking action on issues arising from its monitoring of the 2002 Gaming Framework Agreement. It also needs to remove unneeded user access to its computer systems and data promptly.

2.0 INTRODUCTION

The Ministry is responsible for municipal relations; public safety; and First Nations, Métis, and northern affairs.[1] Its responsibilities include co-ordinating, developing, promoting, and implementing policies and programs related to cities, municipalities (urban, rural, northern), and matters of an inter-municipal nature. These responsibilities include policies and programs related to:

- Community planning, development, and diversification of cities and municipalities
- Joint ventures related to municipalities
- Administrative and technical advice provided to administrators/councils to support the effective and efficient operation of municipal governments
- Community facilities
- Local government elections

Also, the Ministry is responsible for co-ordinating, developing, promoting, and implementing policies:

- With respect to matters affecting First Nations and Métis people
- To foster and advance development in northern Saskatchewan
- For emergency management, disaster assistance, fire commissioner services, and building accessibility and other safety standards
- For public safety (e.g., safety standards for boilers, pressure vessels, gas equipment and installations)[2]

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[1] www.saskatchewan.ca/government/government-structure/ministries/government-relations (22 August 2016).
[2] *The Ministry of Government Relations Regulations.*

2.1 Financial Overview

For the year ended March 31, 2016, the Ministry had revenues of $117.7 million (including $89.4 million from the Federal Government) and expenses of $529.8 million.

The following lists the Ministry's expenses by major programs. For further details, see the Ministry's *2015-16 Annual Report* available on its website.[3]

Figure 1—Expenses by Major Program

	Estimates 2015-16^	Actual 2015-16
	(in millions)	
Central Management and Services	$ 9.9	$ 9.0
First Nations and Métis Engagement	77.1	84.9
Municipal and Northern Engagement	372.5	360.2
Saskatchewan Municipal Board	1.8	1.7
Public Safety	11.1	72.7
Total Appropriation	472.4	528.5
Capital Asset Acquisitions	(1.8)	(1.3)
Amortization of Capital Assets	2.7	2.6
Total Expense	$ 473.3	$ 529.8

Source: *Ministry of Government Relations 2015-16 Annual Report.*
^The Ministry obtained additional funding through supplementary estimates of $56.3 million.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **The Ministry complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Assessment Management Agency Act
The Assessment Management Agency Regulations
The Cities Act
The Crown Employment Contracts Act
The Executive Government Administration Act
The Financial Administration Act, 1993
The Government Organization Exemption Regulations
The Government Relations Administration Act (effective May 14, 2015)
The Indian and Native Affairs Act
The Ministry of Government Relations Regulations
The Métis Act
The Municipalities Act
The Municipal Boards Act
The Municipal Grants Act
The Municipal Grants Regulations
The Northern Municipalities Act, 2010
The Provincial Disaster Assistance Program Regulations, 2011
The Public Services Act, 1998
The Purchasing Act, 2004
The Rural Affairs Act (to May 14, 2015)
The Saskatchewan Gaming Corporation Act (Part III.01, and III.1)
The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Act
The Urban Affairs Act (to May 14, 2015)
2002 Gaming Framework Agreement
Orders in Council issued pursuant to the above legislation

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[3] www.saskatchewan.ca/government/government-structure/ministries/government-relations (22 August 2016).

- **The Ministry had effective rules and procedures to safeguard public resources except as described in this chapter**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Since the Ministry receives significant federal funding for various municipal programs and provides significant grants to municipalities, we paid particular attention to the Ministry's controls for managing grant payments to municipalities. This included testing its processes for awarding grants, approving grant payments, and monitoring municipalities' compliance with federal and provincial funding agreements. Also, the Ministry provides significant financial assistance to individuals and organizations for provincial disaster claims and expects to receive significant reimbursements from the Federal Government for a portion of the amount it pays. We tested the Ministry's controls over managing disaster claims and recovering amounts from the Federal Government, including processes for making and recording significant accounting estimates.

In accordance with the 2002 Gaming Framework Agreement (Agreement) and *The Saskatchewan Gaming Corporation Act* (for the First Nations Trust [FNT]), the Ministry provides significant funding annually to the FNT and six Community Development Corporations (CDCs) based on profits Saskatchewan casinos earn. We tested the Ministry's controls for managing these grant payments including monitoring the FNT and CDCs' compliance with the Agreement.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Better Guidance for Monitoring the 2002 Gaming Framework Agreement Needed

We recommended that the Ministry of Government Relations provide guidance to staff for analyzing and taking action on issues arising from its monitoring of the 2002 Gaming Framework Agreement. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Not Implemented

As described in **Section 3.0** the Ministry provides funding annually to the FNT and six CDCs. The Agreement requires the FNT and CDCs to use these funds for specific purposes.

In 2015-16, the Ministry provided $78.8 million in funding ($57.6 million to the FNT and $21.2 million to the CDCs).

As we previously reported, in 2014-15, management became aware that the FNT planned to pay the Federation of Sovereign Indigenous Nations (FSIN) amounts each year to fund FSIN's normal operations. By March 31, 2016, Ministry management had not documented its analysis supporting its conclusion that the FNT's proposed payments were allowable under the Agreement. The FNT made its first annual payment during 2015-16.

During 2015-16, management indicated it began developing guidance for analyzing and taking action on issues arising from its monitoring of compliance with the Agreement. At March 31, 2016, it had not completed the guidance. Management told us employee turnover in this area contributed to the delay in completing the guidance.

Without a formal, documented process, the Ministry may not be able to show it sufficiently monitors compliance with the Agreement. Without adequate monitoring, there is increased risk that the FNT or CDCs may inappropriately distribute funds or make payments for purposes not intended by the Agreement.

4.2 Timely Removal of Unneeded IT User Access Needed

We recommended that the Ministry of Government Relations document and implement procedures to ensure unneeded user access to its information technology systems and data is removed promptly. (2012 Report – Volume 2; Public Accounts Committee agreement January 13, 2014)

Status – Partially Implemented

In 2015-16, the Ministry tracked whether unneeded user access to its information technology (IT) systems and data was removed timely. The Ministry identified that unneeded IT network access was not removed promptly for 9 of 95 employees (2014-15: 14 of 20) who left the employ of the Ministry. For those 9 employees, the Ministry did not remove access until 1 to 74 days after termination (2014-15: 2 to 11 days). Also, the Ministry did not follow up to determine the cause of the delays or document action taken, if any.

Chapter 9
Health

1.0 MAIN POINTS

The Ministry of Health (Ministry) and six of its agencies reported in this chapter complied with authorities governing their activities. Each of these agencies' 2015-16 financial statements are reliable. The Ministry and those agencies had effective rules and procedures to safeguard public resources except for the matters related to the Ministry.

The Ministry needs to follow its established procedures for promptly removing unneeded user access to its computer systems and data. Lack of compliance with the established procedures increases the risk of inappropriate access.

2.0 INTRODUCTION

The Ministry oversees the provincial healthcare system that includes 12 regional health authorities (RHAs), Saskatchewan Cancer Agency (SCA), Athabasca Health Authority,[1] affiliated health care organizations, and health professionals.

The Ministry is responsible for providing leadership on strategic policy for the health sector, allocating healthcare funding, and monitoring and enforcing health standards (e.g., in personal care homes). It administers key health programs such as the Saskatchewan Medical Care Insurance Plan and the Saskatchewan Prescription Drug Plan.[2] In addition, the Ministry assists RHAs, SCA, and other stakeholders in recruiting and retaining healthcare providers, including nurses and physicians.[3]

2.1 Financial Overview

For the year ended March 31, 2016, the Ministry had revenues of $13.5 million including $5.8 million of Federal Government transfers.[4] As reflected in **Figure 1**, in 2015-16, the Ministry spent over $5.1 billion to deliver its programs and services.[5] Further information about the Ministry's revenues and expenses appears in its annual report.[6]

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[1] The Athabasca Health Authority operates under an agreement between the province, Canada, and six northern First Nations. The Ministry funds the Authority for acute-care expenses.

[2] Ministry of Health, *2015-16 Annual Report*, p. 8.

[3] Ibid., p. 7.

[4] Ibid., pp. 43, 46.

[5] Ibid., pp. 43-46.

[6] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16HealthAnnualReport.pdf (06 September 2016).

Figure 1—Expenses by Major Programs

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 11.0	$ 9.8
Regional Health Services	3,606.7	3,595.6
Provincial Health Services	209.7	204.5
Medical Services and Medical Education Programs	905.9	908.8
Drug Plan and Extended Benefits	371.8	376.3
Early Childhood Development	11.1	11.0
Provincial Infrastructure Projects	12.3	15.7
Total Appropriation	5,128.5	5,121.8
Capital Asset Acquisition	(12.7)	(15.8)
Non-Appropriated Expense Adjustment[A]	4.8	3.6
Total Expense	$ 5,120.6	$ 5,109.6

Source: Ministry of Health, *2015-16 Annual Report*, pp. 44-45.
[A] This number represents capital asset amortization, and changes in inventory and prepaid expenses.

2.2 Related Special Purpose Funds and Crown Agencies

At March 31, 2016, the Ministry was responsible for the following special purpose and trust funds and Crown agencies (agencies).

We have reported the results of our audits of agencies in blue font in the chapter number identified; and the results of our audits of special purpose or trust funds with a December 31 year-end in our *2016 Report – Volume 1*. This chapter reports the results of our audits of the Ministry and the remaining six agencies with a March 31 year-end.

Year-End March 31
Twelve Regional Health Authorities[1] (Chapters 15 and 16)
eHealth Saskatchewan (Chapter 5)
Health Quality Council
Health Shared Services Saskatchewan (3sHealth)
Physician Recruitment Agency of Saskatchewan
Saskatchewan Association of Health Organizations Inc. (SAHO)
Saskatchewan Cancer Agency
Saskatchewan Impaired Driver Treatment Centre Board of Governors

Year-End December 31
3sHealth, Disability Income Plan – C.U.P.E.
3sHealth, Disability Income Plan – S.E.I.U. – West
3sHealth, Disability Income Plan – S.U.N.
3sHealth, Disability Income Plan – General
3sHealth, Core Dental Plan
3sHealth, In-Scope Extended Health/Enhanced Dental Plan
3sHealth, Out-of-Scope Extended Health/Enhanced Dental Plan
3sHealth, Group Life Insurance Plan

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[1] See Chapter 16 – Regional Health Authorities for a listing of Regional Health Authorities.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **The Ministry and its six agencies had effective rules and procedures to safeguard public resources except for the matters related to the Ministry as described in this chapter**

- **The Ministry and its six agencies complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  An Act to Incorporate Saskatchewan Health-care Association
  The Crown Corporations Act, 1993
  The Cancer Agency Act
  The Cancer Agency Regulations
  The Drug Plan Medical Supplies Regulations
  The Saskatchewan Assistance Plan Supplementary Health Benefits Regulations
  The Executive Government Administration Act
  The Financial Administration Act, 1993
  The Health Administration Act
  The Health Facilities Licensing Act
  The Health Facilities Licensing Regulations
  The Health Information Protection Act
  The Health Quality Council Act
  The Special-care Home Rates Regulations
  The Mental Health Services Act
  The Non-Profit Corporations Act, 1995
  The Prescription Drugs Act
  The Prescription Drugs Regulations, 1993
  The Public Health Act, 1994
  The Purchasing Act, 2004
  The Regional Health Services Act
  The Regional Health Services Administration Regulations
  The Saskatchewan Medical Care Insurance Act
  The Medical Care Insurance Beneficiary and Administration Regulations
  The Saskatchewan Medical Care Insurance Payment Regulations, 1994
  The Medical Care Insurance Peer Review Regulations
  Orders in Council issued pursuant to the above legislation

- **The financial statements of each of the six agencies reported in this chapter are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry and its agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We paid particular attention to the Ministry's significant programs including medical services, drug plan and extended benefits, provincial health services, capital planning, and its processes for contract management and supervision of RHAs.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Timely Removal of User Access Needed

We recommended that the Ministry of Health follow its established procedures for removing unneeded user access to its computer systems and data promptly. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

The Ministry requires staff to request its service provider, eHealth Saskatchewan, to remove user access to its computer systems and data on the day an individual leaves its employ. In 2015-16, the Ministry did not consistently follow its procedures.

We found, in 2015-16, the Ministry had not promptly requested removal of unneeded network user access for 9 of 30 individuals we tested. For example, the Ministry did not request removal of network access for two individuals until 59 and 64 business days after them leaving the Ministry's employ. The Ministry's monthly review of terminated employee reports (received from Public Service Commission) did not detect these missed requests.

By not following its procedures for requesting removal of unneeded network user access promptly, the Ministry is exposing itself to the risk of inappropriate access to confidential information (e.g., details about personal health information, health services card numbers).

4.2 Accounting Treatment of Assets Constructed Under Shared Ownership Agreements Being Resolved

We recommended that the Ministry of Health follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements. (2013 Report – Volume 2; Public Accounts Committee agreement September 9, 2014)

Status – Partially Implemented

As described in our *2014 Report – Volume 2*, Chapter 11, the Ministry does not follow Canadian generally accepted accounting principles for the public sector (GAAP) when accounting for assets constructed under contracts with seven RHAs.[8] The Ministry refers to these contracts as shared ownership agreements. The Ministry did not follow GAAP in that the RHAs fully own these assets. Starting with their 2015-16 financial statements, each RHA appropriately included them in their audited financial statements.

At March 31, 2016, the Ministry's accounting records included $184.2 million of capital assets based on funds it provided to RHAs under shared ownership agreements. In

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[8] The seven regional health authorities with shared ownership agreements are: Cypress, Five Hills, Heartland, Kelsey Trail, Prairie North, Prince Albert Parkland, and Sun Country. The accounting error for Kelsey Trail was not significant for the 2014-15 financial statements. See Chapter 16 – Regional Health Authorities for details.

2015-16, it provided $11.8 million to the RHAs under these agreements. In September 2016, the Ministry was drafting termination agreements with each of the seven RHAs. Once termination agreements are signed, the Ministry's accounting records will reflect the full ownership of the RHAs.

Because the Ministry and RHAs are both part of the Government, how the Ministry accounts for the above items does not affect the accuracy of the Government's Summary Financial Statements (SFS).[9] Therefore, the SFS follows Canadian generally accepted accounting principles when accounting for assets constructed under these agreements.

4.3 Capital Asset Plan Developed

We recommended that the Ministry of Health develop a capital asset plan to help ensure that it can carry out its strategic plan. (2003 Report – Volume 3; Public Accounts Committee agreement June 30, 2004)

Status – Implemented

As of September 2016, the Ministry has developed a draft 10-year facility capital asset plan for the health sector.[10] The plan covers the current state of healthcare facilities, facility needs based on projected population and facility conditions, key challenges and gaps, asset management strategies, and financing. Facilities make up the largest proportion of Ministry and RHAs' capital assets.

In developing this plan, the Ministry obtained the input and assistance of the RHAs. The Ministry plans to finalize and approve the plan prior to March 31, 2017.

The Ministry is using a database to track the useful life, age, and maintenance cost of the health sector's facilities. The Ministry plans to use this data, along with the facility capital asset plan, to assess risks of each facility on an annual basis against a list of criteria (e.g., facility condition index, age and function, population projection, mission dependency). It expects to use these assessments to identify the highest risk facilities, prioritize capital projects, and allocate capital funding.

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[9] During the preparation of the Summary Financial Statements, the Ministry of Finance eliminates these assets and related expense recorded by the Ministry of Health and only includes the amounts recorded by the RHAs.

[10] The capital plan does not cover equipment or IT.

Chapter 10
Highways and Infrastructure

1.0 MAIN POINTS

During 2015-16, the Ministry of Highways and Infrastructure (Ministry), the Transportation Partnerships Fund (Fund), and the Saskatchewan Grain Car Corporation (Corporation) complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The 2015-16 financial statements of the Fund and the Corporation are reliable. The Ministry and the Corporation had effective rules and procedures to safeguard public resources except Ministry staff did not always ensure unneeded access of former employees to its computer systems was removed promptly. Not following these established processes makes the Ministry's data and systems vulnerable to inappropriate access.

2.0 INTRODUCTION

The mission and mandate of the Ministry is to:

- Provide a safe, reliable transportation system that supports Saskatchewan's growth agenda and quality of life. [It strives] to deliver innovative, sustainable infrastructure to serve the needs of [its] customers.[1]

- Manage and provide for the future development of an integrated provincial transportation system. Infrastructure investments are guided by strategic transportation policy and by incorporating operating and maintenance practices to promote the safe and efficient movement of people and goods.[2]

The Ministry is responsible for managing the provincial transportation system which includes more than 26,000 kilometres of highways, 729 bridges, 17 airports in northern Saskatchewan, 12 ferries and 1 barge.[3]

2.1 Financial Overview

At March 31, 2016, the Ministry's infrastructure had a net book value of about $3.4 billion. As shown in **Figure 1**, the Ministry spent $426.8 million in 2015-16. Also, in 2015-16, the Ministry had revenues of $70.8 million including transfers from the Federal Government of $59.6 million. The Ministry's annual report sets out and explains significant differences between estimated and actual revenues and expenses.

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[1] Ministry of Highways and Infrastructure, *2015-16 Annual Report*, p. 3.
[2] Ibid., p. 3.
[3] Ibid.

Figure 1—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 18.5	$ 17.3
Strategic Municipal Infrastructure	26.2	23.7
Operation of Transportation System	89.2	95.2
Preservation of Transportation System	144.9	140.9
Transportation Policy and Programs	3.3	3.5
Infrastructure and Equipment Capital	559.9	518.1
Total Appropriation	842.0	798.7
Capital Asset Acquisitions	(559.9)	(518.0)
Capital Asset Amortization	152.4	146.1
Total Ministry Expense	$ 434.5	$ 426.8

Source: Ministry of Highways and Infrastructure, *2015-16 Annual Report.*

The Ministry is also responsible for the Transportation Partnerships Fund and the Saskatchewan Grain Car Corporation. The Fund's year-end was March 31, 2016. The Corporation's year-end was July 31, 2016.

3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with the appointed auditor, Miller Moar Grodecki Kreklewich & Chorney to carry out the audit of the Corporation. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[4]

In our opinion, for the year ended on or before July 31, 2016:

- **The Ministry and the Corporation had effective rules and procedures to safeguard public resources except the Ministry needs to remove unneeded user access promptly**
- **The Ministry, the Fund and the Corporation complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Highways and Transportation Act, 1997
  The Railway Line (Short Line) Financial Assistance Regulations
  The Short Line Railway Financial Assistance Regulations
  The Ministry of Highways and Infrastructure Regulations, 2007
  The Fuel Tax Accountability Act
  The Saskatchewan Grain Car Corporation Act
  The Public Works and Services Act
  The Executive Government Administration Act
  The Financial Administration Act, 1993
  The Purchasing Act, 2004 and Regulations
  Orders in Council issued pursuant to the above legislation

- **The financial statements of the Fund and the Corporation are reliable**

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[4] See our website at www.auditor.sk.ca.

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry and the Corporation's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Because of the Ministry's extensive use of contractors in the maintenance and construction of its highways and bridges, in our audit, we paid particular attention to the Ministry's controls over managing its contracts. This included assessing its processes for awarding, approving, and adjusting contracts; retaining appropriate security and holdbacks; approving estimates; obtaining appropriate clearance from the Workers' Compensation Board and tax authorities before final payments; and tracking its related contractual obligations.

Also, because the Ministry relies on its computer systems to manage its contracts and the transportation system, we assessed key service level agreements, change management processes, and user access controls related to those key IT systems.

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 Prompt Removal of Expired User Access Needed

We recommended that the Ministry of Highways and Infrastructure follow its established procedures for removing user access to its computer systems and data. (2009 Report – Volume 3; Public Accounts Committee agreement April 21, 2010)

Status – Partially Implemented

Although the Ministry had established procedures to remove unneeded user access to its computer systems and data, it did not always follow them.

As in our prior audits, we found former employees whose access to the Ministry's computer systems was not removed in a timely manner. This included the following. Three of ten individuals (2014-15: seven of ten) we examined did not have their network access removed promptly (removed from 36 to 63 days after last day of employ [2014-15: 2 to 64 days]). Four individuals' access (2014-15: five individuals) to MIDAS[5] applications was not removed in a timely manner (removed 13 days to 17 days after last day of employ).

Not removing unneeded access on a timely basis increases the risk of unauthorized individuals accessing its computer systems and data. It makes the Ministry's data and systems vulnerable to access by unauthorized users, including inappropriate access to confidential information.

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[5] This includes both MIDAS Financials and MIDAS HR/Payroll. MIDAS is the central application the Ministry uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resources and payroll records, etc.

Chapter 11
Justice

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Ministry of Justice (Ministry), its agencies, and special purpose funds for the year ended March 31, 2016.

The Ministry, its agencies, and special purpose funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2015-16 financial statements of its agencies and special purpose funds are reliable.

The Ministry and its agencies had effective rules and procedures to safeguard public resources except the Ministry needs to improve its IT processes by preparing and testing its disaster recovery plans, and removing unneeded user access to its computer systems and data on a timely basis.

2.0 INTRODUCTION

The Ministry's mandate is to provide a fair justice system that upholds the law and protects the rights of individuals in Saskatchewan, promote safe and secure communities, provide supervision and rehabilitation services for adult and young offenders, and provide legal and justice policy advice to the Government.[1]

2.1 Financial Overview

For the year ended March 31, 2016, the Ministry spent $599.0 million on its programs. For 2015-16, the Ministry also had revenues totalling $90.9 million[2] comprised primarily of fines, fees, and transfers from federal and municipal governments.

Figure 1—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 53.8	$ 52.0
Courts and Civil Justice	60.6	62.0
Innovation, Legal and Policy Services	35.4	34.8
Community Safety Outcomes	17.0	14.5
Community Justice	20.5	19.1
Boards and Commissions	28.9	29.1
Custody, Supervision and Rehabilitation Services	163.5	169.4

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[1] Ministry of Justice, *2015-16 Annual Report*, p. 5.
[2] Ibid., p. 23.

	Estimates 2015-16	Actual 2015-16
Policing	201.6	194.5
Saskatchewan Police Commission	1.5	1.5
Major Capital Projects	24.9	22.1
Total Appropriation	607.7	599.0
Capital Asset Acquisitions	(24.9)	(19.1)
Non-Appropriation Expense Adjustment[A]	1.3	19.1
Total Expense	$ 584.1	$ 599.0

Source: Ministry of Justice, *2015-16 Annual Report*, pp. 21-22.

[A] Non-Appropriation Expense Adjustment includes asset amortization of $5.6 million and capital asset revaluation of $13.5 million.

2.2 Special Purpose Funds and Agencies

At March 31, 2016, the Ministry was responsible for seven special purpose funds and three Crown agencies each with a March 31 year-end. We report the results of our audit of the Public Guardian and Trustee of Saskatchewan in Chapter 23, Summary of Implemented Recommendations. This chapter reports the results for the Ministry of Justice, the funds, and the remaining two agencies.

Special Purpose Funds (funds)
Correctional Facilities Industries Revolving Fund
Criminal Property Forfeiture Fund
Law Reform Commission of Saskatchewan
Office of Residential Tenancies – Director's Trust Account
Provincial Mediation Board Trust Accounts
Queen's Printer Revolving Fund
Victims' Fund

Crown Agencies (agencies)
Financial and Consumer Affairs Authority of Saskatchewan
Saskatchewan Legal Aid Commission

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **The Ministry and its agencies had effective rules and procedures to safeguard public resources except for the Ministry IT matters reported in this chapter**
- **The Ministry, its agencies, and its funds complied with the authorities listed in Section 5.0 governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**
- **The financial statements of the Ministry's agencies and funds are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry's and its agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Disaster Recovery Plan Incomplete

We recommended that the Ministry of Justice prepare and test its disaster recovery plans for its critical information technology systems. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

The Memorandum of Understanding (MOU) between the Ministry and the Ministry of Central Services (Central Services) includes the Ministry's disaster recovery requirements. Under the MOU, the Ministry is responsible to work with Central Services to ensure that adequate recovery services are in place that align with the Ministry's service delivery needs (i.e., test the effectiveness of disaster recovery plans).

By September 2016, the Ministry had not developed or tested disaster recovery plans (DRP) for all of its critical systems (e.g., maintenance orders and fines systems). It had a DRP for its Criminal Justice Information Management System (CJIMS)—a critical IT system.

In May 2016, the Ministry tested its CJIMS DRP using the assumption that the data centre it uses under its MOU with Central Services would be available. The Ministry plans to update and test its CJIMS DRP to include a new CJIMS module for fines once the module is implemented in 2016-17.

The Ministry has not determined how it plans to respond to the risk that Central Services may not be able to recover its critical systems and data in the event that a disaster also affects other or all systems in the data centre.

Without a complete and tested disaster recovery plan for all of the Ministry's critical IT systems, the risk increases that those systems may not be available when needed.

4.2 Timely Removal of User Access Needed

We recommended that the Ministry of Justice follow its established procedures for removing unneeded user access to its computer systems and data. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

The Ministry did not consistently follow its procedures for ensuring only authorized individuals have access to its computer systems and data.

During 2015-16, the Ministry began to review reports, from its human resources system, listing employees no longer working for the Ministry. The Ministry identified that the reports were not accurate and worked with its service provider to correct the reports. In June 2016, it began to review reports again. However, it did not consistently do so on a regular basis. Management advised us this was due to staff turnover.

In addition, the Ministry did not request timely removal of unneeded network user access for 3 of 10 of the individuals we tested (2014-15: 8 of 10 individuals). In one instance, the user's access was not removed until 49 days after the individual left the Ministry's employ (2014-15: 385 days). Also, the Ministry did not request timely removal of unneeded user access to one of its key financial systems for 1 of 3 individuals we tested (2014-15: 9 of 10 individuals). This user's access was not removed until 26 days after the individual left the Ministry's employ (2014-15: 74 days).

Unless the Ministry follows its established procedures for removing unneeded user access on a timely basis, the Ministry cannot ensure that only authorized individuals have access to its computer systems and data. As a result, the Ministry is exposed to the risk of loss of public money and inappropriate access to its information.

5.0 LEGISLATION—SUMMARY OF RELEVANT AUTHORITIES

Justice
The Administration of Estates Act
The Administration of Estates Regulations
The Correctional Services Act
The Correctional Services Trust Account Regulations
The Community Justice Programs Regulations
The Enforcement of Maintenance Orders Act, 1997
The Enforcement of Maintenance Orders Regulations, 2009
The Executive Government Administration Act
The Financial Administration Act, 1993
The Justice and Attorney General Act
The Ministry of Justice Regulations
The Police Act, 1990
The Police Regulations
The Provincial Court Act, 1998
The Provincial Court Compensation Regulations
The Public Service Act, 1998
The Purchasing Act, 2004
The Queen's Bench Act, 1998
The Queen's Bench Regulations
The Summary Offences Procedures Act, 1990
The Fine Option Program Regulations, 1991

Law Reform Commission of Saskatchewan
The Law Reform Commission Act
The Executive Government Administration Act
Orders in Council issued pursuant to the above legislation

Office of Residential Tenancies – Director's Trust Account
The Residential Tenancies Act, 2006
The Residential Tenancies Regulations, 2007
The Financial Administration Act, 1993
The Executive Government Administration Act
Orders in Council issued pursuant to the above legislation

Provincial Mediation Board Trust Accounts
The Provincial Mediation Board Act
Bankruptcy and Insolvency Act, Part X (Federal)
Orderly Payments of Debts Regulations (Federal)
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

The Summary Offences Procedures Regulations, 1991
The Victims of Crime Act, 1995
The Victims of Crime Regulations, 1997
The Youth Justice Administration Act
Orders in Council issued pursuant to the above legislation

Correctional Facilities Industries Revolving Fund
The Correctional Service Act, 2012
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

Criminal Property Forfeiture Fund
The Seizure of Criminal Property Act, 2009
The Seizure of Criminal Property Regulations, 2009
The Executive Government Administration Act
Orders in Council issued pursuant to the above legislation

Financial and Consumer Affairs Authority of Saskatchewan
The Cemeteries Act, 1999
The Collection Agents Act
The Collection Agents Regulations
The Consumer Protection and Business Practices Act
The Credit Union Act, 1998
The Credit Union Regulations, 1999
The Direct Sellers Act
The Direct Sellers Regulations, 1997
The Financial and Consumer Affairs Authority of Saskatchewan Act
The Mortgage Brokers and Mortgage Administration Act
The Mortgage Brokers and Mortgage Administration Regulations
The Motor Dealers Act
The Motor Dealers Regulations
The Payday Loans Act
The Payday Loans Regulations
The Pension Benefits Act, 1992
The Pension Benefits Regulations, 1993
The Saskatchewan Insurance Act
The Saskatchewan Insurance Regulations, 2003
The Securities Act, 1988
The Securities Regulations
The Trust and Loan Corporations Act, 1997
The Trust and Loan Corporations Regulations, 1999
The Executive Government Administration Act
Orders in Council issued pursuant to the above legislation

Queen's Printer Revolving Fund
The Queen's Printer Act
The Queen's Printer Fees Regulations, 2004
The Purchasing Act, 2004
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

Saskatchewan Legal Aid Commission
The Legal Aid Act
The Legal Aid Regulations, 1995
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

Victims' Fund
The Victims of Crime Act, 1995
The Victims of Crime Regulations, 1997
The Criminal Code (s. 737)
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

Chapter 12
Northern Municipal Trust Account

1.0 MAIN POINTS

The Ministry of Government Relations (Ministry) administers the Northern Municipal Trust Account (NMTA). NMTA's 2015 financial statements are reliable. In 2015, the Ministry complied with the authorities governing NMTA's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Other than for the following, the Ministry had effective rules and procedures for NMTA to safeguard public resources. The Ministry did not always prepare timely and accurate bank reconciliations or prepare accurate quarterly financial reports. In addition, the Ministry did not adequately supervise staff responsible for recording NMTA financial information (e.g., management did not sufficiently review quarterly and year-end NMTA financial information).

2.0 INTRODUCTION

Under *The Northern Municipalities Act, 2010* (Act), the NMTA is a special account with two main purposes:

- To assist northern municipalities in providing quality services to their residents through operating and capital grants (e.g., for water and sewer systems, municipal facilities and equipment)

- To administer and finance the municipal functions and operations of the Northern Saskatchewan Administration District[1] (e.g., provide water)

The Act makes a Board, appointed by Cabinet, responsible for giving the Minister of Government Relations advice on the allocations of northern operating and capital grants, and changes to laws concerning NMTA. It makes the Ministry of Government Relations responsible for administering NMTA. The Ministry has assigned about 11 full-time equivalent staff, located primarily in La Ronge, to administer NMTA.

In 2015, NMTA had revenues of $33.4 million (2014: $30.7 million) including $20.3 million (2014: $20.5 million) from the Ministry and expenses of $26.0 million (2014: $30.2 million) including grants of $20.9 million (2014: $23.6 million). At December 31, 2015, it held assets of $44.3 million (2014: $36.1 million) including capital assets of $4.7 million (2014: $4.5 million).

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[1] The Northern Saskatchewan Administration District is a geographical area defined under section 74 of *The Northern Municipalities Regulations* that includes 11 northern settlements and 14 resort subdivisions.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended December 31, 2015:

- **The Ministry of Government Relations had effective rules and procedures over NMTA to safeguard public resources except for the matters described in this chapter**

- **The Ministry of Government Relations complied with the following authorities governing NMTA's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Northern Municipalities Act, 2010
  The Northern Municipalities Regulations
  The Financial Administration Act, 1993
  Orders in Council pursuant to the above legislation and regulations

- **NMTA had reliable financial statements**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry's controls over NMTA. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We focused our audit effort on certain revenues (e.g., taxation, utility, leases, and fuel sales). For revenues, we assessed NMTA's monitoring of lease and land sales revenues collected by the Ministry of Environment. We also assessed the reasonability of management's estimate of lease revenue in its financial statements. We tested the accuracy of levy calculations and penalties or discounts, and fuel sales.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Proper and Timely Reconciliation of Bank Accounts Needed

In 2015, the Ministry did not reconcile NMTA's bank accounts properly and prepared most bank reconciliations later than expected. At December 31, 2015, NMTA had cash of almost $29 million.

Contrary to policy, 10 out of 12 monthly bank reconciliations were not prepared before the end of the following month.[2] The Ministry did not prepare the February, March, and April 2015 reconciliations until late September 2015. While management initialled bank reconciliations to show review and approval, it did not leave evidence of when the reconciliations were approved.[3] As a result, the Ministry could not show whether it reviewed reconciliations on a timely basis.

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[2] NMTA's policies require staff to reconcile the recorded bank balance to the bank's records by the end of the following month.
[3] NMTA's policies require management to independently review and approve the reconciliations.

For each month during 2015, the Ministry did not properly reconcile the bank account to the accounting records. It did not investigate and resolve differences between its bank account balances and accounting records. For months other than December, the unreconciled differences were small.

In the December 2015 reconciliation, a significant unreconciled difference existed. Management incorrectly adjusted its financial records for this difference. Upon further investigation, management identified the error, and subsequently corrected its financial records.

Proper bank account reconciliations check the accuracy and reliability of NMTA's accounting records (e.g., detect unauthorized payments or unrecorded cash receipts). Doing reconciliations on a timely basis enables timely follow up of differences and corrections, increasing the accuracy of financial records. Without accurate and timely bank reconciliations, the Ministry increases the risk of using inaccurate financial information to make decisions and monitor NMTA's operations.

1. **We recommend that the Ministry of Government Relations prepare timely and accurate bank reconciliations for the Northern Municipal Trust Account, as its policies require.**

4.2 Preparation of Accurate Quarterly Financial Reports Needed

We recommended that the Ministry of Government Relations prepare accurate quarterly financial reports for the Northern Municipal Trust Account, as its policies require. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Partially Implemented

During 2015, the Ministry did not record lease revenue accurately. It did not recognize that the quarterly reports from the Ministry of Environment[4] on lease revenues earned and collected on NMTA's behalf were incomplete. As a result, it missed recording almost one-third of lease revenues earned (i.e., did not record $1.3 million of $4.5 million in lease revenue).

Also, in turn, NMTA's 2015 quarterly financial reports did not include reasonable estimates for lease revenue.

Not accurately estimating lease revenue throughout the year increases the risk of having inaccurate financial information to make decisions and not having sufficient information to monitor NMTA's lease activities.

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[4] The Ministry of Environment administers and collects lease revenue on the Ministry of Government Relations' behalf for NMTA.

4.3 Closer Supervision Needed

We recommended that the Ministry of Government Relations require management to carry out a detailed review of quarterly and year-end financial information (e.g. financial reports, journal entries, reconciliations) prepared by the staff responsible for recording Northern Municipal Trust Account financial information. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Not Implemented

During 2015, the Ministry did not adequately supervise staff responsible for recording NMTA financial information. We continued to identify instances where staff did not follow policies properly. For instance, contrary to Ministry policy:

- The last complete verification of the existence and condition of NMTA's capital assets was 2012 instead of at least every two years[5]

- We found staff, in a number of instances, recorded transactions to an incorrect general ledger account code (e.g., Other revenue instead of Other transfers revenue). This resulted in $108 thousand in errors.[6]

- Management did not leave evidence of independent review and approval on the journal entries for 38% of the items we tested[7]

- Staff did not prepare or review monthly bank reconciliations by the end of the following month (see **Section 4.1**)

In addition, management did not carry out a detailed review of the draft financial statements presented for audit. These draft financial statements contained numerous and significant errors (see **Section 4.2**). Staff corrected the financial statements prior to their finalization and approval. As noted above (see **Section 3.0**), NMTA's annual financial statements were reliable.

Not having adequate supervision increases the risk of not detecting and correcting, within a reasonable time, errors in NMTA's financial records and non-compliance with key policies and processes.

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[5] NMTA's policies require that staff verify the existence and condition of capital assets periodically (at least every two years) by physically inspecting and counting the assets.

[6] NMTA's policies require staff to verify that invoices are coded to proper accounts prior to invoices being entered into NMTA's accounting records (the general ledger).

[7] NMTA's policies require staff and management to leave evidence of preparation and independent review on all journal entries.

Chapter 13
Parks, Culture and Sport

1.0 MAIN POINTS

This chapter reports the results of the annual audits of the Ministry of Parks, Culture and Sport (PCS, Ministry), and its eleven agencies for the year ended March 31, 2016.

The 2015-16 financial statements for the eleven agencies are reliable. Also, PCS and its agencies complied with governing authorities and had effective rules and procedures to safeguard public resources except that PCS needs to follow its procedures to remove unneeded user access to its computer systems and data promptly.

2.0 INTRODUCTION

The mandate of PCS is to support, celebrate, and build pride in Saskatchewan with a focus on quality of life and economic growth. The Ministry works with diverse groups and communities to enhance the province's cultural, artistic, recreational and social life; promote excellence in the arts, culture, heritage and sport; and support a vibrant and growing arts and cultural community. It manages and enhances Saskatchewan's provincial parks system, conserves ecosystems and cultural resources, provides recreational and interpretive opportunities for park visitors and is responsible for the Provincial Capital Commission.[1]

2.1 Financial Overview

In 2015-16, PCS spent $88.0 million (2014-15: $139.5 million) including net capital acquisitions of $12.8 million (2014-15: $13.0 million). Also in 2015-16, PCS raised revenue of $9.1 million (2014-15: $7.9 million) from lottery licensing fees and agreements with the Federal Government. In addition, each year PCS raises revenue and incurs expenses through the Commercial Revolving Fund (CRF).[2]

Information about PCS' revenues and expenses appears in its *Annual Report for 2015-16*.[3]

Figure 1—Major Programs and Spending

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management Services	$ 11.4	$ 11.0
Parks	32.1	31.8
Resource Stewardship and the Provincial Capital Commission	17.0	15.9

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[1] Saskatchewan Ministry of Finance, *2015-16 Saskatchewan Provincial Budget: Estimates*, p. 97.
[2] The Commercial Revolving Fund collects and distributes funds used in the operation of Saskatchewan's provincial parks.
[3] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16PCSAnnualReport.pdf (14 October 2016).

	Estimates 2015-16	Actual 2015-16
Community Engagement	39.0	37.9
Total Appropriation	99.5	96.6
Capital Asset Acquisitions	(13.0)	(12.8)
Capital Asset Amortization	4.1	4.2
Total Expense	$ 90.6	$ 88.0

Source: Ministry of Parks, Culture and Sport, *Annual Report for 2015-16*, pp. 25-26.

2.2 Parks, Culture and Sport Agencies

At March 31, 2016, PCS was responsible for the following agencies:

Commercial Revolving Fund
Creative Saskatchewan
Saskatchewan Arts Board
Saskatchewan Heritage Foundation
Community Initiatives Fund
Doukhobors of Canada C.C.U.B. Trust Fund
Provincial Archives of Saskatchewan
Saskatchewan Centre of the Arts
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation
Saskatchewan Snowmobile Fund
Western Development Museum

3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with Virtus Group LLP, the appointed auditor, to carry out the audit of the Community Initiatives Fund and the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[4]

In our opinion, for the year ended March 31, 2016:

- **PCS and eight of its agencies had effective rules and procedures to safeguard public resources except for PCS not removing unneeded user access promptly as described in this chapter**

- **PCS and its eleven agencies complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

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[4] See our website at www.auditor.sk.ca.

- *The Active Families Benefit Act*
- *The Archives and Public Records Management Act*
- *The Athletics Commission Act*
- *The Arts Board Act, 1997*
- *The Creative Saskatchewan Act*
- *The Culture and Recreation Act, 1993*
- *The Doukhobors of Canada C.C.U.B. Trust Fund Act*
- *The Financial Administration Act, 1993*
- *The Economic and Co-operative Development Act*
- *The Executive Government Administration Act*
- *The Heritage Property Act*
- *The Interprovincial Lotteries Act, 1984*
- *The Meewasin Valley Authority Act*
- *The Multiculturalism Act*
- *The Natural Resources Act*
- *The Parks Act*
- *The Public Service Act, 1998*
- *The Purchasing Act, 2004*
- *The Regional Parks Act, 1979*
- *The Saskatchewan Centre of the Arts Act, 2000*
- *The Saskatchewan Gaming Corporation Act (Part IV) – Community Initiatives Fund*
- *The Snowmobile Act*
- *The Trustee Act, 2009*
- *The Wakamow Valley Authority Act*
- *The Wanuskewin Heritage Park Act*
- *The Western Development Museum Act*
- Orders in Council issued pursuant to the above legislation

- **The financial statements of each of the eleven agencies are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of PCS and its agencies' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

In our 2015-16 audit, we examined the effectiveness of PCS and eight agencies financial-related controls used to administer their spending, revenues, and key assets. This included examining the effectiveness of the controls used to keep reliable financial records and prepare reliable financial reports. We paid particular attention to the Ministry's financial controls over transfers, its key computer systems (e.g., camping permits), and overseeing the lottery system.

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Timely Removal of User Access Needed

We recommended that the Ministry of Parks, Culture and Sport follow its established procedures and promptly remove unneeded user access to its computer systems and data. (2014 Report – Volume 2; Public Accounts Committee agreement September 17, 2015)

Status – Not Implemented

PCS has established procedures for the removal of unneeded user access to its computer systems and data (i.e., properly completing the employee termination checklist). However, staff do not consistently follow them.

In 2015-16, four out of ten individuals that we tested (2014-15: four out of ten) did not have their computer network access removed promptly (i.e., removed between 3 and 104 days after their last day of employ instead of within a day).

Also in 2015-16, we found that three individuals did not have their access to MIDAS[5] applications removed promptly. Two of these individuals continued to have access to MIDAS HR for 13 to 15 days after their last day of employ, and the Ministry missed requesting removal of access. In addition, one individual had access to MIDAS Financials for 65 working days after their last day of employ.

Not promptly removing user access for former employees increases the risk of inappropriate access to the Ministry's systems and data.

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[5] MIDAS is the central application PCS uses to record and account for its financial activities, including its general ledger, accounts receivable, purchasing and payments, human resources and payroll records, etc. This includes both MIDAS Financials and MIDAS HR/Payroll.

Chapter 14
Public Service Commission

1.0 MAIN POINTS

In 2015-16, the Public Service Commission (PSC) had effective rules and procedures to safeguard public resources and complied with authorities governing its activities other than that it needs to consistently and promptly remove unneeded user access to its IT systems.

2.0 INTRODUCTION

PSC is the central human resources agency for ministries in the Government of Saskatchewan.[1] It provides leadership and policy direction for the development of a professional public service. PSC delivers human resource services to ministries including staffing, classification of positions, compensation and labour relations, and works with ministries in the delivery of human resource services.[2]

Figure 1 outlines PSC's 2015-16 expenses by major program. At March 31, 2016, PSC held tangible capital assets (primarily IT equipment and software and building improvements) with a net book value of $2.9 million.

Figure 1—Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	$ 6.0	$ 6.0
Human Resource Client Services and Support	14.0	13.3
Employee Relations, Policy and Planning	3.6	3.6
Employee Service Centre	10.8	9.7
Total Appropriation	34.4	32.6
Amortization of Capital Assets	1.5	0.3
Capital Assets Acquisitions	0.0	0.0
Total Expense	$ 35.9	$ 32.9

Source: Public Service Commission, *2015-16 Annual Report*, p. 17.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **PSC had effective rules and procedures to safeguard public resources except it needs to remove unneeded user access as reported in this chapter**

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[1] Public Service Commission, *2015-16 Annual Report*, p. 4.
[2] Ibid.

- **PSC complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Public Service Act, 1998
  The Public Service Regulations, 1998
  The Financial Administration Act, 1993
  The Executive Government Administration Act
  Orders in Council issued pursuant to the above legislation

We used the control framework published by CPA Canada to make our judgments about the effectiveness of PSC's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 Consistent Prompt Removal of User Access Needed

We recommended that the Public Service Commission follow its established procedures for removing user access to its computer systems and data. (2010 Report – Volume 2; Public Accounts Committee agreement June 7, 2011)

Status – Partially Implemented

PSC staff continue to not always follow their processes for promptly removing user access for individuals who no longer work for PSC.

For three out of ten individuals with network access we tested, PSC did not promptly ask the Ministry of Central Services to remove unneeded user access. For one of those individuals, PSC did not ask for the removal of the network access until seven working days after the individual's last day of employ.

For two out of five individuals we tested, PSC did not promptly request removal of unneeded user access to MIDAS[3] HR. For one of those individuals, its weekly review of reports of inactive user accounts identified that it missed making the user access removal request. The individual had access to MIDAS HR for nine working days after the last day of employ.

PSC, as a service agency for much of government, maintains sensitive personal information (e.g., social insurance numbers) for many government employees. Not promptly removing user access of former employees increases the risk of inappropriate access to PSC's systems and data.

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[3] MIDAS is the central application PSC uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resources and payroll records, etc.

Chapter 15
Regina Qu'Appelle Regional Health Authority

1.0 MAIN POINTS

In 2015-16, Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) made some improvements to its processes (e.g., identified critical information technology [IT] systems and data needed in event of a disaster, and began the process to hire an internal auditor), but more work remains. It needs to consistently and promptly remove unneeded access to its IT systems and data, establish an internal audit function, and complete and test its disaster recovery plan. Effective disaster recovery plans would help make certain its IT systems are available to support its delivery of patient care.

Regina Qu'Appelle's 2015-16 financial statements were reliable. It complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

Regina Qu'Appelle is responsible for planning, organizing, delivering, and evaluating health services in its health region or any other area as the Minister of Health directs. Its cabinet-appointed Board directs the affairs and business of Regina Qu'Appelle.

Regina Qu'Appelle provides specialized health care for approximately one-half million residents in southern Saskatchewan (over one-quarter million of the residents live within the region). It has over 7,900 employees.[1]

As set out in **Figure 1**, in 2015-16, Regina Qu'Appelle had revenues and expenses of $1,057.2 million and $1,088.1 million respectively. Each year, Regina Qu'Appelle receives over 90% of its revenue from the Ministry of Health. At March 31, 2016, it held assets of $336.7 million including capital assets of $301.8 million.

Figure 1—Revenues and Expenses

	Actual 2015-16	Actual 2014-15
	(in millions)	
Ministry of Health – General Revenue Fund	$ 958.0	$ 939.7
Other Revenues	99.2	98.1
Total Revenues	1,057.2	1,037.8
Salaries and Benefits	686.7	662.7
Grants to health care organizations and affiliates	66.8	65.1
Medical remuneration and benefits	90.7	87.3
Amortization	30.8	29.4
Other Expenses	213.1	215.6
Total Expenses	1,088.1	1,060.1
Annual Deficit	$ (30.9)	$ (22.3)

Source: Regina Qu'Appelle audited financial statements for the years ended March 31, 2016, and March 31, 2015.

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[1] Regina Qu'Appelle Health Region, *2015-2016 Annual Report*, p. 10.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Regina Qu'Appelle had effective rules and procedures to safeguard public resources except for the matters reported in this chapter**
- **Regina Qu'Appelle complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Regional Health Services Act
  The Critical Incident Regulations
  The Regional Health Services Administration Regulations
  The Housing and Special-care Homes Regulations
  The Special-care Homes Rates Regulations, 2011
  The Health Information Protection Act
  The Health Labour Relations Reorganization Act
  The Health Labour Relations Reorganization (Commissioner) Regulations
  The Trustee Act, 2009
  The Executive Government Administration Act
  The Regina Qu'Appelle Regional Health Authority Board Bylaws
  Orders in Council issued pursuant to the above legislation

- **Regina Qu'Appelle had reliable financial statements**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Regina Qu'Appelle's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We focused our audit effort on the following areas:

- Controls related to payroll processing and financial reporting and recording. For example, we assessed the reliability and timeliness of financial reports to the Board.
- User access, change management, and recovery processes for key IT applications.
- Appropriateness of deferred revenue by examining whether the contributions were externally restricted and revenues were spent for purposes intended.
- Accuracy and reasonableness of significant estimates including employee future benefits through analysis of data and assumptions.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Prompt Removal of User Access Needed

We recommended that Regina Qu'Appelle Regional Health Authority follow its established procedure for removing unneeded user access to its computer systems and data. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

Within five days of an individual leaving the employ of Regina Qu'Appelle, the payroll department is to receive a request from the manager to remove the individual's access to the scheduling and time management system. This system automatically notifies the IT department to remove the individual's network access.

During the year, Regina Qu'Appelle management did not request timely removal of unneeded access to the scheduling and time management system for 5 out of 27 individuals we sampled. This resulted in not notifying the IT department in a timely manner. For example, one individual did not have their IT network access removed until 24 working days after the individual left Regina Qu'Appelle's employ.

For all individuals we sampled, the IT department removed the user access promptly once notified.

Without following its established procedures for removing user access promptly, Regina Qu'Appelle is exposed to the risks that unauthorized individuals access confidential data and unauthorized changes are made to data.

4.2 Complete Disaster Recovery Plan Required

We recommended that all regional health authorities establish adequate disaster recovery plans and test those plans to ensure their effectiveness. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)

Status – Partially Implemented

Regina Qu'Appelle relies on IT systems and data to support the delivery of patient care.

During the year, Regina Qu'Appelle simulated a test which helped it to identify the critical IT systems and data needed in the event of a disaster. However, Regina Qu'Appelle has not formally documented its requirements for how long each critical IT system (e.g., accounting, staff scheduling, patient registry systems) can be offline, and how it plans to restore its key IT systems and data in the event of a disaster.

Without a complete and tested disaster recovery plan, Regina Qu'Appelle may not have critical IT systems available when needed. As a result, healthcare providers may not have critical data available to them when needed.

4.3 Recruitment for Internal Audit Function Initiated

We recommended that Regina Qu'Appelle Regional Health Authority implement an internal audit function. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)

Status – Partially Implemented

In April 2016, the Regina Qu'Appelle's Audit, Finance and Risk Committee approved hiring staff for the internal audit function. At May 2016, management indicated that they were starting the hiring process (e.g., developing a job description) with plans to have the internal audit function in place by March 31, 2017.

An internal audit function could provide value to the Board and senior management by assessing compliance with established processes and policies and making recommendations that focus on key strategic risks.

Chapter 16
Regional Health Authorities

1.0 MAIN POINTS

This chapter reports the results of our annual audit of 11 regional health authorities (RHAs). A separate chapter reports the results of our annual audit of Regina Qu'Appelle RHA because we audit it directly.

The 2015-16 financial statements of each of the 11 RHAs are reliable. The RHAs complied with their governing authorities and had effective controls to safeguard public resources except:

- Mamawetan Churchill River, Keewatin Yatthé, and Prince Albert Parkland did not have written agreements, as the law requires, for giving money to other healthcare organizations that provided healthcare services on their behalf.
- Keewatin Yatthé needs to improve its controls over capital assets.
- Mamawetan Churchill River needs to better protect its IT systems and data, establish policies to review and approve key financial procedures, and follow its established procedures for approving overtime.
- Mamawetan Churchill River and Sunrise need to have up-to-date and tested disaster recovery plans.

2.0 INTRODUCTION

The Regional Health Services Act (Act) created 12 RHAs in Saskatchewan. The Act makes RHAs responsible for the planning, organization, delivery, and evaluation of health services in their respective health regions. **Figure 1** lists the 11 RHAs discussed in this chapter, the names of their appointed auditors, and their key 2015-16 financial results.

Figure 1—2015-16 Appointed Auditors and Financial Highlights by Regional Health Authority

Regional Health Authority	Appointed Auditor at March 31, 2016	2015-16 Revenues	2015-16 Annual Surplus (Deficit) (in millions $)	Fund Balance at March 31, 2016
Cypress	Stark & Marsh LLP	226.4	83.9	246.3
Five Hills	Virtus Group LLP	172.3	5.2	138.2
Heartland	KPMG LLP	110.5	(1.5)	97.2
Kelsey Trail	NeuPath Group, PC Inc.	140.2	8.4	61.6
Keewatin Yatthé	MNP LLP	30.1	(0.2)	22.3
Mamawetan Churchill River	Deloitte LLP	32.0	0.3	10.2
Prairie North	Vantage Chartered Professional Accountants	293.7	(2.8)	52.4
Prince Albert Parkland	MNP LLP	258.5	12.3	87.5
Saskatoon	KPMG LLP	1,236.8	(48.9)	308.7
Sun Country	Virtus Group LLP	159.9	(2.2)	90.5
Sunrise	Collins Barrow PQ LLP	228.4	(3.5)	21.7

Source: Audited financial statements of each RHA.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **The financial statements for each of the 11 RHAs listed in Figure 1 are reliable**
- **Each of the 11 RHAs listed in Figure 1 complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter related to Prince Albert Parkland, Keewatin Yatthé, and Mamawetan Churchill River:**

The Critical Incident Regulations
The Health Information Protection Act
The Health Labour Relations Reorganization (Commissioner) Regulations
The Housing and Special-care Homes Regulations
The Regional Health Services Act
The Regional Health Services Administration Regulations
The Special-care Homes Rates Regulations, 2011
The Trustee Act, 2009
The Executive Government Administration Act
Each RHA's Bylaws
Orders in Council issued pursuant to the above legislation

- **Each of the 11 RHAs listed in Figure 1 had effective rules and procedures to safeguard public resources except for Mamawetan Churchill River, Keewatin Yatthé, Sunrise, and Prince Albert Parkland**

To complete our audits, we worked with each of the RHAs' appointed auditors using the framework recommended in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors.*[1]

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the RHAs' controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

The RHAs' expenses consist primarily of payroll and other goods and services. Therefore, each audit included examining processes for preparing and processing payroll, and ordering, paying for, and receiving goods and services. In addition, as each RHA uses IT systems to operate, we examined RHAs' processes to safeguard financial-related IT systems and data.

4.0 KEY FINDINGS AND RECOMMENDATIONS

Figure 2 compiles outstanding RHA recommendations.

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[1] See our website at www.auditor.sk.ca.

Figure 2— Compilation of Outstanding Recommendations by Regional Health Authority

Regional Health Authority	Agreements with Healthcare Organizations	Protection of IT Systems	Up-to-Date and Tested Disaster Recovery Plan	Control of Capital Assets	Support and Approval of Staff Overtime	Review and Approval of Financial Records
Cypress						
Five Hills						
Heartland						
Kelsey Trail						
Keewatin Yatthé	X			X		
Mamawetan Churchill River	X	X	X		X	X
Prairie North						
Prince Albert Parkland	X					
Saskatoon						
Sun Country						
Sunrise			X			

4.1 Prince Albert Parkland, Keewatin Yatthé, and Mamawetan Churchill River Need Agreements with Healthcare Organizations

1. We recommend that Prince Albert Parkland Regional Health Authority comply with *The Regional Health Services Act* when providing funding to healthcare organizations in the region.

We recommended each of the following Regional Health Authorities comply with *The Regional Health Services Act* when providing funding to healthcare organizations in the region.

- Keewatin Yatthé Regional Health Authority (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)
- Mamawetan Churchill River Regional Health Authority (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

Prince Albert Parkland, Mamawetan Churchill River, and Keewatin Yatthé each use various health care organizations (HCOs) to provide healthcare services to residents. *The Regional Health Services Act* (Act) does not allow RHAs to provide funding to HCOs without written agreements. Each of these RHAs have written agreements with most, but not all of their HCOs.

In 2015-16, Prince Albert Parkland gave a total of $415,000 to two HCOs, Mamawetan Churchill River gave a total of $173,000 to two HCOs, and Keewatin Yatthé gave

$511,000 to a HCO without written agreements. Accordingly, each of the three RHAs did not comply with the Act.

4.2 Keewatin Yatthé Needs Better Control of its Capital Assets

We recommended that Keewatin Yatthé Regional Health Authority count its capital assets and agree its capital asset records to its accounting records regularly. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)

Status – Not Implemented

During 2015-16, Keewatin Yatthé did not make any progress on verifying the condition and existence of its capital assets. At year-end, it had capital assets totalling $20.3 million. Because it does not periodically count its capital assets and compare them to its accounting records, it does not know if those assets exist or where they are located.

4.3 Sunrise and Mamawetan Churchill River Need to Complete Their Disaster Recovery Plans

We recommended that all regional health authorities establish disaster recovery plans and test those plans to ensure their effectiveness. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)

Status – Partially Implemented (Sunrise), Not Implemented (Mamawetan Churchill River)

Sunrise has not yet finalized or tested its Disaster Recovery Plan (DRP).

By March 2016, Mamawetan Churchill River had established processes to back-up its IT systems and data, but had not drafted or tested its DRP.

Not having up-to-date and tested DRPs increases the risk that IT systems and data may not be available when needed.

4.4 Mamawetan Churchill River Needs Improved Processes to Safeguard Public Resources

4.4.1 Needs Approved IT Policies and Procedures

We recommended that Mamawetan Churchill River Regional Health Authority establish information technology policies and procedures based on a threat and risk analysis. (2004 Report – Volume 3; Public Accounts Committee agreement October 26, 2005)

Status – Partially Implemented

Mamawetan Churchill River has drafted policies and procedures for updating its IT systems and data, but it has not yet approved those policies and procedures. By not having established IT policies and procedures there is increased risk of inappropriate access and changes to its IT systems.

4.4.2 Needs to Check Support and Approval of Staff Overtime

We recommended that Mamawetan Churchill River Regional Health Authority establish a process to control overtime costs resulting from calling staff back to work to provide healthcare services outside their assigned shifts. (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)

Status – Not Implemented

During 2015-16, Mamawetan Churchill River made little progress to establish a process to control overtime costs resulting from calling staff back to work. At March 2016, it did not approve all time sheets prior to processing payroll, its monthly call-back[2] payroll, or the payroll register before making payments.

Lack of review and formal approval of timesheets, call-back payroll, or the payroll register prior to making payments could result in system errors or improprieties in payroll without detection.

4.4.3 Needs Approved Policies for Key Financial Procedures

We recommended that Mamawetan Churchill River Regional Health Authority establish a process to review and approve all key financial procedures (e.g., bank reconciliations, journal entries). (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)

Status – Partially Implemented

Starting in 2014-15, Mamawetan required a senior manager to review and approve all changes (journal entries) to the financial records. It has also drafted a policy related to adding and deleting suppliers on its master vendor list. By March 2016, it had not yet approved or implemented this policy.

Not having complete financial policies and procedures increases the risk of staff not having a full understanding of their responsibilities relating to the key financial procedures and reporting processes.

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[2] Based on the Collective Agreement between the Saskatchewan Association of Health Organizations and the Saskatchewan Union of Nurses 2012-2014, a call back is when an employee is brought back to duty during a standby duty period. The employee is deemed to be working overtime for the time worked with a guaranteed minimum payment of two hours on each occasion of call back.

5.0 IMPLEMENTED RECOMMENDATIONS BY REGIONAL HEALTH AUTHORITY

Figure 3 sets out, by RHA, past recommendations and highlights key actions taken to implement each of them during 2015-16.

Figure 3—Implemented Recommendations by Regional Health Authority

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)[A]	Key Actions Taken During 2015-16 to Implement Recommendations
We recommended that Cypress Regional Health Authority, Five Hills Regional Health Authority, Heartland Regional Health Authority, Prairie North Regional Health Authority, Prince Albert Parkland Regional Health Authority, and Sun Country Regional Health Authority follow Canadian generally accepted accounting principles for the public sector to prepare their financial statements. (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)	At March 31, 2016, each of the listed RHAs followed Canadian generally accepted accounting principles to account for the facilities constructed under the co-ownership agreements.
Sun Country Regional Health Authority	
We recommended that Sun Country Regional Health Authority follow its established policy to remove unneeded user access to its information technology systems and data. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)	Sun Country identified and removed unneeded user access timely.
Heartland Regional Health Authority	
We recommended that Heartland Regional Health Authority adequately protect its information technology systems and data. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)	Heartland followed its established information technology policies and procedures.
Prince Albert Parkland Regional Health Authority	
We recommended that Prince Albert Parkland Regional Health Authority follow its processes to grant and remove user access to its IT systems and data. (2011 Report – Volume 2; Public Accounts Committee agreement October 4, 2012)	Prince Albert Parkland identified and removed unneeded user access timely.

[A] PAS – Provincial Auditor of Saskatchewan.
PAC – Standing Committee on Public Accounts.

Chapter 17
Saskatchewan Indian Gaming Authority Inc.

1.0 MAIN POINTS

Saskatchewan Indian Gaming Authority Inc. (SIGA) is a non-profit corporation established under *The Non-profit Corporations Act, 1995*. Its members are the Federation of Sovereign Indigenous Nations (FSIN), the Tribal Councils of Saskatchewan, and independent First Nations. SIGA is licensed by Saskatchewan Liquor and Gaming Authority (Liquor & Gaming) to operate six casinos located on First Nations reserves.

During 2015-16, SIGA complied with the authorities governing its financial-related activities. SIGA's 2015-16 financial statements are reliable. However, SIGA must better protect its information technology (IT) systems and data by periodically reviewing user access and testing its disaster recovery plan.

2.0 INTRODUCTION

As required by section 207 of the *Criminal Code*, Liquor & Gaming is responsible for the overall conduct and management of the slot machines in SIGA's casinos. The revenue from the slot machines belongs to Liquor & Gaming.

In 2002, the Government of Saskatchewan and the FSIN signed the *2002 Framework Agreement* (Framework Agreement) effective from June 11, 2002 to June 11, 2027. The Framework Agreement allows for the development and operation of casinos in Saskatchewan within the parameters of the *Criminal Code* (Canada). At March 2016, SIGA operated the following six casinos:

- Bear Claw Casino
- Dakota Dunes Casino
- Gold Eagle Casino
- Living Sky Casino
- Northern Lights Casino
- Painted Hand Casino

The Casino Operating Agreement (COA)[1] between SIGA and Liquor & Gaming sets the calculation of slot machine revenue belonging to Liquor & Gaming.

2.1 Financial Overview

At March 31, 2016, SIGA held assets of $177 million (2015: $184 million), including capital assets of $108 million (2015: $108 million), and had liabilities of $183 million (2015: $191 million), including long-term debt of $42 million (2015: $48 million). For the year ended March 31, 2016, its net casino profit was $87 million.

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[1] SIGA and Liquor & Gaming signed a COA effective from June 11, 2002 to June 11, 2027. Under the COA, Liquor & Gaming allows SIGA to deduct from slot machine revenues reasonable costs incurred in accordance with the operating policies approved by Liquor & Gaming.

SIGA's casino operations include slot machines, ancillary operations (i.e., gift shops, restaurants, lounges, and a hotel), and table games operations. **Figure 2** shows the net casino profits SIGA made during the last five years by type.

Figure 2—SIGA Financial Results for the Five-Year Period from 2012 to 2016

Year Ended March 31	2016	2015	2014	2013	2012
	(in millions)				
Slot machines operations profit	$ 97.5	$ 96.5	$ 94.2	$ 99.5	$ 92.2
Ancillary operations loss	(9.0)	(10.2)	(10.7)	(10.0)	(7.5)
Table games operations loss	(2.2)	(2.2)	(3.3)	(3.0)	(3.0)
Unrealized (loss) gain on Interest rate swaps^	0.8	(1.0)	2.1	0.3	(2.5)
Net casino profit	$ 87.1	$ 83.1	$ 82.3	$ 86.8	$ 79.2

Source: 2011-12 to 2015-16 SIGA audited financial statements.
^ Unrealized gain (loss) on interest rate swaps is the amount of change in the fair value of the swaps in a fiscal year.

3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of SIGA. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors.*[2]

In our opinion, for the year ended March 31, 2016:

- **SIGA had reliable financial statements**

- **SIGA complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Non-profit Corporations Act, 1995
  The Non-profit Corporations Regulations, 1997
  The Alcohol and Gaming Regulation Act, 1997
  The Gaming Regulations, 2007
  Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)
  Proceeds of Crime (Money Laundering) Suspicious Transaction Reporting Regulations (Canada)
  2002 Framework Agreement (June 11, 2002)
  2002 Casino Operating Agreement (June 11, 2002)
  Terms and Conditions for SIGA Table Games (issued by Indigenous Gaming Regulators Inc.)[3]
  SIGA Slot Machine Operating Procedures and Directives (issued by Liquor & Gaming)
  SIGA Operating Policies and Directives (issued by Liquor & Gaming)
  SIGA Bylaws

- **SIGA had effective rules and procedures to safeguard public resources except for the matters described in this chapter**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of SIGA's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

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[2] See our website at www.auditor.sk.ca.
[3] Indigenous Gaming Regulators Inc. is an institution of the FSIN; it licenses and regulates on-reserve charitable gaming in Saskatchewan including table games at SIGA casinos.

Because SIGA operates in the casino industry, it processes a significant number of cash transactions and holds a significant amount of cash in its casinos. As a result, we paid particular attention to SIGA's controls for managing cash in its casinos. This included assessing its processes for approving and recording transactions, and monitoring staff compliance with established procedures to safeguard cash. Also, because SIGA relies on computer systems to manage its operations, we assessed its controls over key IT service providers, IT security, change management processes, and user access.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Regular Disaster Recovery Plan Testing Needed

SIGA relies significantly on its IT systems to operate; it has a disaster recovery plan (DRP) for its IT systems. However at March 2016, SIGA had not tested its DRP within the last three years (i.e., it last tested its DRP in March 2013). From 2013 to 2016, SIGA had a number of changes (e.g., purchased about $1 million of IT software,[4] expanded its Gold Eagle Casino).[5]

A DRP helps to ensure efficient and effective resumption in the event of a major interruption of the operation of IT systems that support vital business functions. Changes in personnel, IT hardware, IT software, or business functions can cause a DRP to not work and become obsolete. Periodic testing of a DRP can identify whether the DRP continues to work as intended and gives SIGA management time to update or revise the DRP before a major interruption occurs.

1. **We recommend that Saskatchewan Indian Gaming Authority Inc. annually test the effectiveness of its disaster recovery plan.**

4.2 Review of User Access Needed

We recommended that Saskatchewan Indian Gaming Authority Inc. perform regular reviews of its computer application user accounts. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

Status – Partially Implemented

During 2015-16, SIGA completed reviews of IT user access for some, but not all of its key IT applications. Not reviewing IT user access of all key applications is inconsistent with SIGA's policies.

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[4] Audited financial statements available at www.siga.sk.ca/about-us/annual-reports (9 September 2016).

[5] www.siga.sk.ca/siga-announces-grand-opening-5000-squarefoot-expansion (9 September 2016).

Also, in 2015-16, SIGA had not removed user access to its casino management system for four former employees (2014-15: eight former employees with user access).

Timely reviews of IT user access determine whether access granted is consistent with each employee's job responsibilities and is appropriate. Lack of regular and timely reviews of IT user access increases the risk of unauthorized access to and inappropriate modifications of systems and data.

4.3 Lease Agreements Appropriately Accounted For

We recommended that Saskatchewan Indian Gaming Authority Inc. determine the accounting implications of new or amended lease agreements and document its assessment. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

In 2015-16, SIGA entered into a new lease agreement related to an expansion of one of its existing casinos. SIGA assessed and appropriately accounted for the arrangement as a finance lease in accordance with International Financial Reporting Standards.

Chapter 18
Saskatchewan Liquor and Gaming Authority

1.0 MAIN POINTS

Saskatchewan Liquor and Gaming Authority's (Liquor & Gaming) financial statements for the year ended March 31, 2016 are reliable. It complied with authorities governing its activities related to financial reporting, safeguarding resources, revenue raising, spending, borrowing, and investing.

Liquor & Gaming had, other than for the following two matters, effective rules and procedures to safeguard public resources. It needs to complete its IT security policies and consistently comply with its IT user access policies to remove user access promptly.

2.0 INTRODUCTION

Liquor & Gaming operates under *The Alcohol and Gaming Regulation Act, 1997*. It is responsible for the distribution, management, operation and regulation of liquor and gaming across the province.[1]

Liquor & Gaming owns and operates all video lottery terminals (VLTs) located in the province, owns and manages all slot machines located at Saskatchewan Indian Gaming Authority Inc. (SIGA) casinos, and operates retail liquor stores. It also distributes liquor to other businesses who sell liquor to the public (e.g., private liquor stores, franchises, and commercial permittees).

2.1 Financial Overview

In 2015-16, Liquor & Gaming had revenues of $1,118 million,[2] expenses of $613 million, and comprehensive income of $505 million. **Figure 1** shows Liquor & Gaming's key financial results by segment. At March 31, 2016, Liquor & Gaming held total assets of $278 million, had total liabilities of $282 million, and had a retained deficit of $4.5 million. Liquor & Gaming's *2015-16 Annual Report* includes its financial statements.

Figure 1—Key Financial Results for 2015-16 by Segment

	Liquor	VLTs	Slot Machines in SIGA Casinos	Other Gaming	Total
	(in millions)				
Total Revenues[A]	$ 647.4	$ 240.9	$ 229.4	$ 0.4	**$ 1,118.1**
Total Expenses	388.9	65.0	142.3	16.8	**613.0**
Total Comprehensive Income (Loss)	258.5	175.9	87.1	(16.4)	**505.1**

Source: Saskatchewan Liquor and Gaming Authority's 2015-16 audited financial statements.
[A] Including other comprehensive income/loss.

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[1] www.slga.gov.sk.ca/Prebuilt/Public/SLGA%20Plan%202016-17.pdf (15 June 2016).

[2] $1,118 million is comprised of gross revenues of $1,114.3 million plus other comprehensive income of $3.7 million.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **Liquor & Gaming had effective rules and procedures to safeguard public resources except for the matters described in this chapter**

- **Liquor & Gaming complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Alcohol and Gaming Regulation Act, 1997
  The Alcohol Control Regulations, 2013
  The Financial Administration Act, 1993
  The Gaming Regulations, 2007
  The Liquor and Gaming Authority Employee Code of Conduct Regulations
  The Liquor Consumption Tax Act
  The Litter Control Act (repealed June 1, 2015)
  The Litter Control Designation Regulations (repealed June 1, 2015)
  The Environmental Management and Protection Act, 2010 (effective June 1, 2015)
  The Environmental Management and Protection (General) Regulations (effective June 1, 2015)
  The Customs Tariff Act (Canada)
  Excise Act (Canada) (schedule I, II and II.1)
  Excise Tax Act (Canada) (section 188)
  Excise Act, 2001 (Canada) (schedule 4-6)
  Criminal Code of Canada (section 207)
  Orders in Council issued pursuant to the above legislation
  2002 Framework Agreement, as amended
  2002 Casino Operating Agreement, as amended
  Western Canada Lottery Corporation Operating Agreement
  Indigenous Gaming Regulators Licensing Agreement

- **Liquor & Gaming had reliable financial statements**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Liquor & Gaming's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We examined the effectiveness of Liquor & Gaming's financial-related controls used to administer revenues and expenses, safeguard assets, keep reliable financial records consistent with related authorities, and prepare reliable financial reports. This included evaluating its significant IT systems and processes and examining how it monitored SIGA's operations. Also, we assessed the work of its Gaming Integrity Branch and Audit Services Branch with respect to compliance with legislation over liquor and gaming activities in the province.

In addition, we assessed the financial statement impact of Liquor & Gaming's plans to expand the private liquor retail system. This included assessing that accounting standards applied were in accordance with International Financial Reporting Standards (e.g., subsequent events disclosure, valuation of property, plant, and equipment).

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Policies and Procedures for Monitoring IT Security Needed

> We recommended that Saskatchewan Liquor and Gaming Authority develop information technology security policies and procedures for monitoring information technology security. (2013 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)
>
> **Status** – Partially Implemented

While Liquor & Gaming had processes for identifying security threats and detecting security incidents and some IT security policies and procedures for monitoring IT security, these policies and procedures were not complete by March 2016.

During 2015-16, Liquor & Gaming implemented a number of IT security policies and procedures (e.g., identity and access management, remote access). It signed an agreement with a third party to help build Liquor & Gaming's security monitoring system and provide regular security management services. In addition, it established a process to interact with its service provider when a security incident occurs. Also, during 2015-16, Liquor & Gaming documented its quarterly process for making critical updates to its systems (i.e., patch management).

However, by March 2016, Liquor & Gaming had not documented policies and procedures for certain high risk IT areas. It did not have policies or procedures for responding to security incidents, or for assessing the criticality of security updates available between quarters to determine whether it can delay applying an update until quarter end (i.e., its regular schedule) or should apply an update immediately.

Immediately updating critical systems helps limit exposure to security risks. Incomplete documentation of IT security policies and procedures increases the risk of staff not understanding or completing key monitoring steps when and as expected. Failure to monitor IT security and respond to security issues increases the risk of unauthorized access to IT systems and data without detection.

Management noted that Liquor & Gaming plans to develop, during 2016-17, a policy and processes for responding to security incidents and to finalize system maintenance procedures, which includes patch management.

4.2 Consistent Compliance with User Access IT Policies and Procedures Needed

> We recommended that Saskatchewan Liquor and Gaming Authority follow its approved information technology (IT) policies and procedures. (2007 Report – Volume 3; Public Accounts Committee agreement January 9, 2008)
>
> **Status** – Not Implemented with respect to user access IT policies and procedures

While Liquor & Gaming had an IT user access management policy, it did not require regular (i.e., more than annual) review of user access by each business area. Liquor & Gaming has an approved policy that requires managers to submit requests for user access removal before employees leave the organization. During 2015-16, Liquor & Gaming staff continued to not consistently follow approved policies for removing user access privileges to key IT systems for individuals no longer in its employ.

For example, in our testing, we noted:

- Three individuals with access to Liquor & Gaming's network and IT retail store inventory system had access for 2 to 13 days after leaving the organization
- Four individuals with access to Liquor & Gaming's network and IT pricing, purchasing, and distribution system had access for 10 to 159 days after leaving the organization
- Two individuals with access to Liquor & Gaming's network and IT financial system had access for 20 to 199 days after leaving the organization
- Three individuals with access to Liquor & Gaming's network had access for 5 to 159 days after leaving the organization

Liquor & Gaming expects its IT Branch, through review of a bi-weekly report, to check whether it has removed network access of individuals who have left the organization. Management indicated that it follows up on network accounts not used in the past 90 days to determine if the user still requires access. However, in our user access testing (i.e., network and system access) we noted six individuals with access to Liquor & Gaming's network had access greater than 90 days after leaving the organization.

During 2016-17, Liquor & Gaming plans to have each business area regularly assess user access. To do this, it notes it must develop reports to enable business areas to efficiently carry out these reviews.

Delays in removing unneeded user access increase the risk of unauthorized disclosure, inappropriate modification, or loss of data.

Chapter 19
Saskatchewan Water Corporation

1.0 MAIN POINTS

This chapter reports the results of our annual audit of Saskatchewan Water Corporation (SaskWater) for the 15-month period ended March 31, 2016. SaskWater's 2015-16 financial statements are reliable. It complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. SaskWater had effective rules and procedures to safeguard public resources except it did not have a completed and tested business continuity plan.

2.0 INTRODUCTION

SaskWater operates under *The Saskatchewan Water Corporation Act* (Act). Its mandate is to construct, acquire, manage, or operate waterworks and provide services in accordance with the agreements it makes under the Act.

To deliver its services, SaskWater designs, builds, owns and operates transmission, regional, and stand-alone water supply systems and wastewater systems. SaskWater also provides certified operation and maintenance services to customer-owned systems. In 2015-16, it provided operator training to 29 Saskatchewan First Nations communities.

As of March 31, 2016, SaskWater provided services to approximately 72,000 people in 63 communities, 9 rural municipalities, 85 rural pipeline groups, 16 industrial and approximately 236 commercial and end-user customers. It owns 8 water treatment plants, 3 wastewater facilities, 39 pump stations, and approximately 935 kilometres of pipeline.[1]

2.1 Financial Overview

At March 31, 2016, SaskWater held assets of $328.9 million and had long-term debt totalling $49.4 million. For the 15-month period ended March 31, 2016, SaskWater had operating revenue of $59.0 million, including water sales and treatment revenue of $45.2 million, and had net income of $7.4 million. Each year, SaskWater provides its annual report including its audited financial statements to the Legislative Assembly.[2]

3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of SaskWater. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[3]

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[1] www.saskwater.com (07 October 2016).
[2] Ibid.
[3] See our website at www.auditor.sk.ca.

In our opinion, for the 15-month period ended March 31, 2016:

- **SaskWater had effective rules and procedures to safeguard public resources except for the need for a complete and tested business continuity plan**
- **SaskWater complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Saskatchewan Water Corporations Act
  The Crown Corporations Act, 1993
  The Crown Corporations Regulations, 1993
  The Financial Administration Act, 1993
  The Crown Employment Contracts Act
  Orders in Council issued pursuant to the above legislation

- **SaskWater's financial statements are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of SaskWater's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

4.0 KEY FINDINGS AND RECOMMENDATION

4.1 Business Continuity Plan Needed

We recommended that Saskatchewan Water Corporation implement and test a business continuity plan. (2012 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement March 12, 2014)

Status – Partially Implemented

SaskWater made limited progress on this recommendation in 2015-16. It continued to refine its business continuity plan for head office operations, including its disaster recovery plans for its business-critical financial and water metering systems (used to determine water sales and treatment invoices). However, by March 31, 2016, it did not have a complete and tested business continuity plan. Without a complete and tested plan, SaskWater is at risk of critical IT systems and data not being available to deliver business-critical services when needed.

Chapter 20
Social Services

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Social Services (Ministry) and its three special purpose funds for the year ended March 31, 2016.

The Ministry and its funds complied with authorities governing their activities, and had effective rules and procedures to safeguard public resources except the Ministry needs to:

- Consistently remove unneeded user access to its computer systems and data
- Provide only appropriate recipients with the correct amount of social assistance
- Better supervise services community-based organizations (CBOs) deliver on its behalf

The 2015-16 financial statements of each fund are reliable.

2.0 INTRODUCTION

The mandate of the Ministry is to help children be safe from abuse and neglect and help individuals meet their basic needs and participate in their community. The Ministry assists these efforts through income support, child and family services, supports for people with disabilities, by providing and helping develop affordable housing, and by building greater capacity in community-based organizations.[1]

2.1 Financial Overview

In 2015-16, the Ministry spent $1,051 million on delivering its programs (see **Figure 1**). It also had revenues totaling $42.1 million primarily from transfers from the Federal Government (e.g., special allowance for children in care).[2] Further information about the Ministry's revenues and expenses is available in its annual report.[3]

Figure 1—Major Programs and Spending

	Estimates 2015-16[A]	Actual 2015-16
	(in millions)	
Central Management and Services	$ 50.6	$ 60.5
Income Assistance and Disability Services	701.1	720.4
Child and Family Services	226.1	246.3

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[1] Ministry of Social Services, *Annual Report for 2015-16*, p. 3. www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16SocialServicesAnnualReport.pdf (11 August 2016).
[2] Ibid., p. 20-22.
[3] www.finance.gov.sk.ca/PlanningAndReporting/2015-16/2015-16SocialServicesAnnualReport.pdf (11 August 2016).

	Estimates 2015-16[A]	Actual 2015-16
Client Support	17.2	16.5
Housing	9.2	7.9
Total Appropriation	1,004.2	1,051.6
Capital Asset Acquisitions	(9.7)	(6.3)
Capital Asset Amortization	6.6	5.7
Total Expense	$ 1,001.1	$ 1,051.0

Source: Ministry of Social Services, *Annual Report for 2015-16*, p. 20.
[A] During 2015-16, the Ministry received a budget increase through a special warrant of $48 million.

2.2 Crown Agency and Special Purpose Funds

The Ministry is responsible for the Saskatchewan Housing Corporation, which has a December 31 year-end.[4] It is also responsible for the following funds with March 31 year-ends:

Social Services Central Trust Account
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund
Social Services Valley View Centre Residents' Trust Account

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- **The Ministry had effective rules and procedures to safeguard public resources except for the matters described in this chapter**

- **The Ministry complied with the following authorities governing its and each of its funds activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter described in this chapter:**

The Child and Family Services Act
The Child and Family Services Regulations
The Child Care Act, 2014
The Child Care Regulations, 2015
The Social Services Administration Act
The Department of Social Services Central Trust Regulations
The Social Services Rehabilitation Institutional Collective Benefits Fund and Trust Account Regulations
The Rehabilitation Act
The Rehabilitation Regulations
The Vocational Rehabilitation Regulations
The Residential Services Act
The Private-service Homes Regulations
The Residential-service Facilities Regulations
The Saskatchewan Assistance Act
The Disability Housing Supplement Regulations
The Employment Supplement Regulations
The Personal Care Home Benefit Regulations
The Rental Housing Supplement Regulations
The Saskatchewan Assistance Regulations, 2014
The Saskatchewan Assured Income for Disability Regulations, 2012
The Transitional Employment Allowance Regulations, 2005
The Saskatchewan Income Plan Act
The Seniors Income Plan Regulations
The Executive Government Administration Act
The Ministry of Social Services Regulations, 2007
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

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[4] We reported the results of our 2015 audit of the Saskatchewan Housing Corporation in our *2016 Report – Volume 1*.

- **The financial statements of each fund are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Ministry's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We focused our audit effort on the following areas:

- Administration of the various programs (e.g., social assistance payments, CBOs) as prescribed by the legislation and policy manuals
- User access, change management, and recovery processes for key IT applications
- Monitoring and recording of social impact bonds

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Timely Removal of User Access Needed

We recommended that the Ministry of Social Services follow its established procedures for removing unneeded user access to its computer systems and data promptly (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Not Implemented

During 2015-16, the Ministry continued to not consistently follow its procedures for promptly removing unneeded user access to its computer systems and data.

Each month, the Ministry receives reports on users who have not accessed their network accounts in the past 30 days from the Ministry of Central Services. However, the Ministry is only reviewing these reports on a quarterly basis. As a result, an individual could have unneeded user access for up to 90 days after their last day of employ. The Ministry indicated that it plans to review its procedures for removing user access.

During the year, we found the Ministry did not request timely removal of network access for 5 out of 10 individuals we tested. The Ministry removed their network access between 11 and 85 days after their last day of employ.

Not following the Ministry's established procedures for removing user access increases the risk of unauthorized access to confidential information (e.g., information about children in care, banking information, social insurance numbers) and the risk of loss of public money (i.e., inappropriate payments being made to clients or organizations).

4.2 Processes for Income Assistance Payments Need to be Followed

We recommended that the Ministry of Social Services follow its established processes that ensure only eligible clients receive assistance and that they receive the correct amount of assistance. (2000 Report – Volume 3; Public Accounts Committee agreement June 6, 2001)

Status – Partially Implemented

In 2015-16, the Ministry paid social assistance clients[5] about $372 million.

In March 2015, the Ministry simplified and modernized *The Saskatchewan Assistance Regulations, 2014* to clarify the intent of the regulations. The Ministry also updated policy manuals related to income assistance payments and provided training to its front line staff.

However, we continue to find that Ministry employees do not consistently follow the Ministry's policies and procedures for making payments to social assistance clients.[6] In 2015-16, we found the following in the files we tested:

- 18% of files (2014-15: 8%) had assistance payments that were not appropriately approved in accordance with policy

- 40% of files (2014-15: 44%) did not have the recipients' financial needs correctly assessed (e.g., rent, allowances)

- Inadequate documentation for:
  - 21% of files (2014-15: 60%) with home repair expenses (e.g., missing invoices, estimates)
  - 46% of files (2014-15: 43%) with funeral expenses (e.g., missing support for transportation costs)
  - 79% of files (2014-15: 67%) with utility arrears expenses (e.g., missing utility bills)

The lack of compliance with Ministry policies could result in the Ministry paying clients incorrect amounts of social assistance.

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[5] A person who seeks social assistance is called a client.

[6] These policies and procedures set out how to calculate, verify, and authorize payments to social assistance clients.

4.3 Some Improvements in Supervision of Community-Based Organizations Noted

We recommended that the Ministry of Social Services work with community-based organizations (CBOs) to establish performance measures and targets that better allow it to assess the CBOs progress in achieving the Ministry's operational objectives. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

Status – Implemented

CBOs provide services to people to enable them to live in their own homes (who otherwise could not). CBOs also provide programs such as group homes and intervention programs for youth at risk. For the year ended March 31, 2016, the Ministry paid about $246.3 million to approximately 200 CBOs that provide services on the Ministry's behalf.

Beginning in 2014-15, the Ministry piloted two test programs for developing performance outcomes and measurement tools with nine Child and Family Services CBOs. In 2015-16, one pilot program was deemed successful. The Ministry implemented performance outcomes and measurement in the relevant (approximately 40) CBO agreements. The other pilot program is being re-evaluated as the test performance outcomes and measurement tools were not working as expected. The Ministry plans to adjust the pilot program and test it again.

We recommended that the Ministry of Social Services perform timely reviews on all the performance information submitted by the community-based organizations. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

Status – Partially Implemented

The Ministry requires CBOs to submit various operational reports so that the Ministry can review the results of the CBO and make informed decisions.

In 2015-16, while the Ministry received the required reports from CBOs, it received them later than the deadlines expected. For example, for the files we sampled, the Ministry received 13% of the CBOs' audited financial statements and 20% of the CBOs' quarterly financial reports late (2014-15: 40% and 18% respectively).

Also, in 2015-16, the Ministry did not always complete timely reviews of the CBOs' annual financial analysis reports (i.e., reports are to be reviewed by October 31). For example, for the files we sampled, we found that the Ministry did not review 37% (2014-15: 17%) of the reports timely (i.e., reviewed between 2 days to 74 days after the October 31 deadline).

Not receiving and reviewing reports from CBOs when expected increases the risk that the Ministry cannot identify issues and take timely corrective action as needed.

In August 2016, the Ministry indicated that it was revising:

- Its policy manual to change the reporting requirements for the CBOs to allow CBOs more time to submit reports
- Its review process for CBOs to move towards a risk-based approach such as focusing more on CBOs with past issues

Chapter 21
Teachers' Dental Plan

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Teachers' Dental Plan (Plan) for the year ended June 30, 2016.

The Teachers' Superannuation Commission (Commission) had effective rules and procedures to safeguard the Plan's public resources except it needs to obtain adequate support for dental payments and prepare financial statements for the Plan.

During the year, the Commission complied with authorities governing the Plan's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the lack of adequate support for dental payments.

2.0 INTRODUCTION

The Commission manages and administers the Plan. The Plan provides Saskatchewan teachers and their dependents with coverage for certain dental services. The Commission uses an insurance company (service provider) to help administer the Plan.

The Ministry of Education (through the General Revenue Fund) pays for all of the dental services provided through the Plan. During 2015-16, the Commission paid $12.3 million (2014-15: $13 million) for dental claims and related administrative costs, and its service provider processed 55,055 (2014-15: 51,430) dental claims.[1]

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended June 30, 2016:

- **The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources except for the matters reported in this chapter**
- **The Teachers' Superannuation Commission complied with the following authorities governing the Plan's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the need for adequate support for dental payments:**

  The Teachers' Dental Plan Act
  The Teachers' Superannuation and Disability Benefits Act
  The Financial Administration Act, 1993
  Orders in Council issued pursuant to the above legislation

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Commission's controls over the Plan. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives. Because dental payments made to members are a significant audit area, we tested a sample of dental payments to verify the eligibility and accuracy of the claims and compliance with governing authorities.

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[1] Saskatchewan Teachers' Superannuation Commission, *2015-16 Annual Report*, p. 23.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Reconciliation Process Needed

We recommended that the Teachers' Superannuation Commission have adequate support for dental payments. (2009 Report – Volume 1; Public Accounts Committee agreement September 1, 2009)

Status – Partially Implemented

During 2015-16, the Commission continued to work with its service provider to obtain the financial data the Commission needs to reconcile dental claims to dental payments made to teachers. In September 2016, the Commission received the electronic financial data from its service provider that it believes will allow it to develop a system to reconcile the details of claims made with the monthly claims paid report (dental reconciliation process). In 2016-17, the Commission plans to use this electronic data to develop its reconciliation process.

We recommended that the Teachers' Superannuation Commission establish complete and written guidance for preparing interim and year-end financial reports. (2008 Report – Volume 1; Public Accounts Committee agreement June 17, 2008)

Status – Partially Implemented

We recommended that the Teachers' Superannuation Commission annual report include the financial statements of each benefit plan the Commission administers. (2008 Report – Volume 1; Public Accounts Committee agreement June 17, 2008)

Status – Partially Implemented as it relates to the Teachers' Dental Plan

After the Commission establishes the dental reconciliation process as described above, it plans to:

- Complete written guidance for preparing interim and year-end financial reports for the Plan.
- Prepare financial statements for the Plan and include them in the Commission's Annual Report. The Commission expects to be able to prepare financial statements starting in 2017-18. Consistent with prior years, the Commission continued to provide summarized financial information about the Plan in its Annual Report.

Chapter 22
Water Security Agency

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Water Security Agency for the year ended March 31, 2016.

The Agency's 2015-16 financial statements are reliable; it complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Other than the need for a complete and tested business continuity plan, the Agency had effective rules and procedures to safeguard public resources.

2.0 INTRODUCTION

The Agency is responsible for managing the water supply, protecting water quality and ensuring safe drinking water, managing dams and water supply channels, reducing flood and drought damage, and providing information on water.[1] The Agency owns and operates provincial dams and water supply channels.

At March 31, 2016, the Agency held assets of $439.5 million and had liabilities of $56.1 million. In 2015-16, the Agency had annual revenue of $41.5 million and had a deficit for the year of $3.0 million. Each year, the Agency gives its annual report,[2] including its audited financial statements, to the Legislative Assembly.

3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of the Agency. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors.*[3]

In our opinion, for the year ended March 31, 2016:

- **The Agency had reliable financial statements**
- **The Agency had effective rules and procedures to safeguard public resources except for the need for a complete and tested business continuity plan**

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[1] Water Security Agency, *2015-16 Annual Report*, p. 4.
[2] The annual report of the Water Security Agency can be found at www.wsask.ca.
[3] See our website at www.auditor.sk.ca.

- **The Agency complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

  The Water Security Agency Act
  The Saskatchewan Watershed Authority Regulations
  The Drainage Control Regulations
  The Water Power Act
  The Water Power Rental Regulations
  The Crown Employment Contracts Act
  The Financial Administration Act, 1993
  Orders in Council issued pursuant to the above legislation

4.0 KEY FINDING AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 Business Continuity Plan Not Complete

We recommended that the Water Security Agency implement and test a business continuity plan. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

Status – Partially Implemented

The Agency made limited progress on this recommendation in 2015-16. It continued to refine its business continuity plan, including its disaster recovery plan for its critical IT systems that support its business critical services (e.g., flood forecasting, water supply and dam management, drinking water regulation). However, by March 31, 2016, it did not have a complete and tested business continuity plan. Without a complete and tested plan, the Agency is at risk of critical IT systems and data not being available to deliver business-critical services when needed.

Chapter 23
Summary of Implemented Recommendations

1.0 MAIN POINTS

This chapter provides an update on recommendations that were implemented and the agencies are not discussed elsewhere in this Report.

2.0 SUMMARY OF IMPLEMENTED RECOMMENDATIONS

Figure 1 sets out, by agency, the recommendation(s) and highlights key actions taken by each agency to implement its recommendation(s).

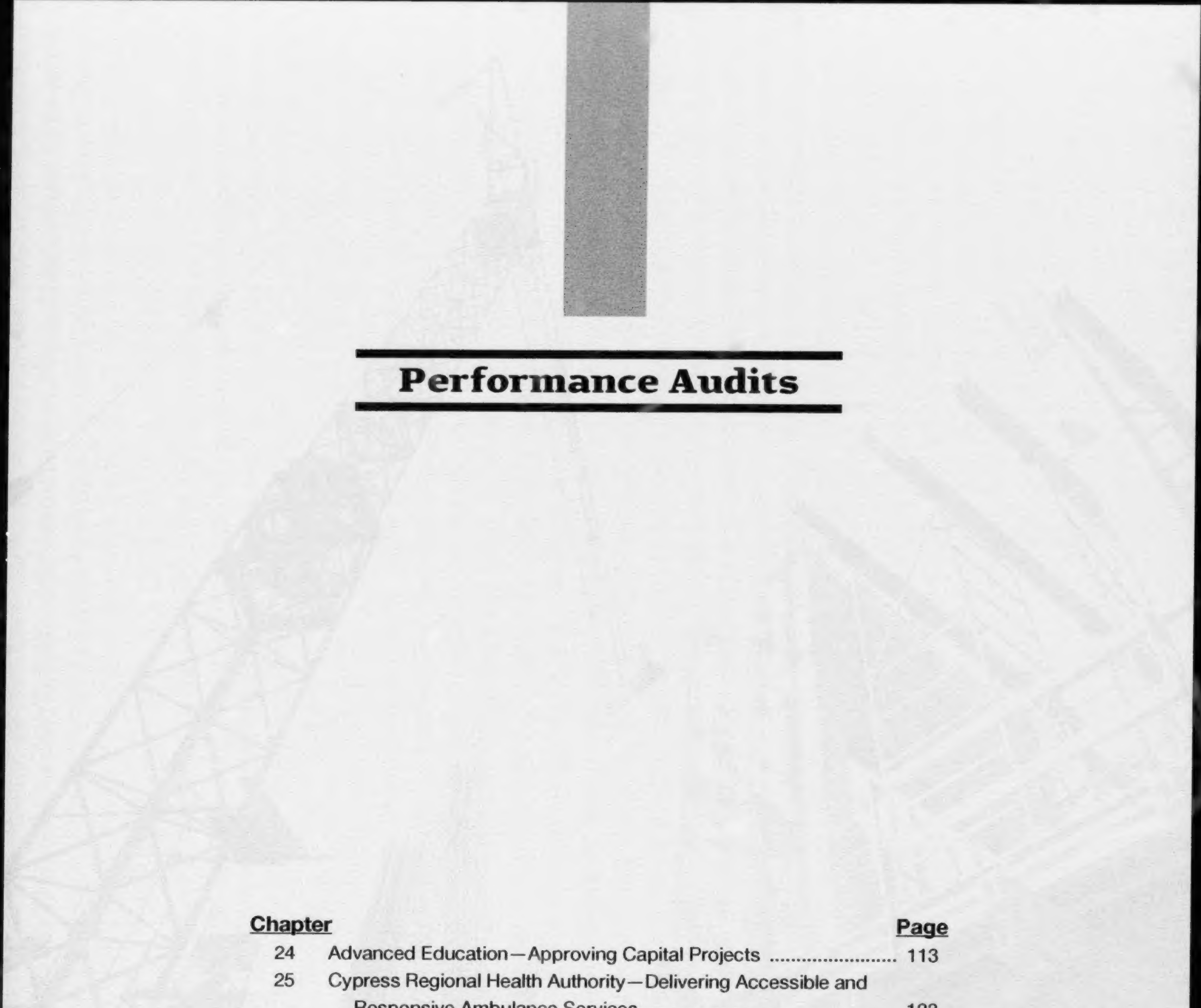
Figure 1—Implemented Recommendations

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)[A]	Key Actions Taken During 2015-16 to Implement Recommendation
Commercial Revolving Fund	
We recommended that the Commercial Revolving Fund charge fees for battery site leases based on rates set out in law. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	The Commercial Revolving Fund properly updated its land lease system to ensure the rates used to invoice for battery site leases were in accordance with the related legislation.
Creative Saskatchewan	
We recommended that Creative Saskatchewan's Board establish policies and procedures for maintaining accurate records and preparation of financial statements. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Management established policies and procedures and implemented them by March 31, 2016. These policies and procedures aid in strengthening Creative Saskatchewan's control environment and reduce the risk of inaccurate records and statements. These policies and procedures received final Board of Director approval on June 23, 2016.
We recommended that Creative Saskatchewan establish a policy for restricting access to its IT systems and data. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Creative Saskatchewan implemented a new policy restricting access to IT systems and data by March 31, 2016.
We recommended that Creative Saskatchewan sign a service agreement with its payroll service provider. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Creative Saskatchewan signed a service agreement with its payroll service provider on November 27, 2015. The agreement outlines the roles and responsibilities of each party.
We recommended that Creative Saskatchewan provide written guidance to staff for reviewing and approving payroll registers prior to paying employees. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Creative Saskatchewan created and implemented written guidance on reviewing and approving its payroll register. This guidance is included in its policy and procedures manual.
We recommended that Creative Saskatchewan give staff written guidance for preparing and approving bank reconciliations. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Creative Saskatchewan created and implemented written guidance on preparing and approving bank reconciliations. This guidance is included in its policy and procedures manual.
We recommended that Creative Saskatchewan provide written guidance to staff for preparing and approving journal entries. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	Creative Saskatchewan created and implemented written guidance on preparing and approving journal entries. This guidance is included in its policy and procedures manual.

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)[A]	Key Actions Taken During 2015-16 to Implement Recommendation
Ministry of Education	
We recommended the Ministry of Education prepare an information technology strategic plan. (2009 Report – Volume 3; Public Accounts Committee agreement May 12, 2010)	The Ministry of Education approved an IT strategic plan for 2017-21. The plan aligns with the Ministry's strategic direction, and includes short- and long-term objectives for the Ministry's IT services and technologies.
Northlands College	
We recommended that Northlands College follow its policy requiring regular evaluation of the performance of staff. (2015 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)	Northlands College followed its policy and completed staff performance evaluations.
Prairie Agricultural Machinery Institute	
We recommended that the Prairie Agricultural Machinery Institute develop, for its Board's approval, a policy that defines acceptable donations and approvals necessary when making donations. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	The Prairie Agricultural Machinery Institute developed, for the Board's approval, a donation and sponsorship policy that defined acceptable donations and approvals required. The Board approved the policy on December 8, 2015.
Public Guardian and Trustee of Saskatchewan	
We recommended that the Public Guardian and Trustee of Saskatchewan maintain complete and accurate financial records to enable it to prepare complete and accurate financial statements. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)	The Public Guardian and Trustee of Saskatchewan maintained complete and accurate financial records enabling it to prepare complete and accurate financial statements for audit.
Saskatchewan Apprenticeship and Trade Certification Commission	
We recommended that the Saskatchewan Apprenticeship and Trade Certification Commission review and approve its bank reconciliations independent of their preparation each quarter. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)	The Saskatchewan Apprenticeship and Trade Certification Commission's bank reconciliations were reviewed and approved independent of their preparation each quarter.
Saskatchewan Arts Board	
We recommended that the Saskatchewan Arts Board follow its established policies to pay grants only to eligible recipients with no outstanding reports. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	The Saskatchewan Arts Board (the Board) followed its established policies related to the payment of grants in 2015-16. During the audit, we did not find any instances where the Board paid new grants before recipients had submitted the required reports for previous grants.
We recommended that the Saskatchewan Arts Board follow its established policies related to approval of multi-year grants, and obtain the required approval before paying grants. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	The Board followed its established policies related to approving grants in 2015-16. During the audit, we did not find any instances where advances on grants were paid to multi-year grant recipients before receiving Board of Directors' approval.
Saskatchewan Cancer Agency	
We recommended that the Saskatchewan Cancer Agency test the effectiveness of its disaster recovery plan as its policies require. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)	The Saskatchewan Cancer Agency has established IT policies that require it to test its disaster recovery plan annually. The Agency began updating its business continuity plans and, as part of this process, conducted testing of its disaster recovery plans for certain IT systems that support its critical business functions. Management plans to continue to test its disaster recovery plans for other critical IT systems as business continuity plans are finalized for each of its critical business functions.

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)^	Key Actions Taken During 2015-16 to Implement Recommendation
Saskatchewan Heritage Foundation	
We recommended that the Saskatchewan Heritage Foundation obtain an Order in Council, as required by law, prior to providing financial assistance to a single individual or agency when the amount exceeds $50,000 in a fiscal year. (2015 Report – Volume 2; Public Accounts Committee agreement September 14, 2016)	The Saskatchewan Heritage Foundation obtained Orders in Council for grants greater than $50,000.
Saskatchewan Impaired Driver Treatment Centre	
We recommended that the Saskatchewan Impaired Driver Treatment Centre provide training and provide guidance to staff to maintain accurate accounting records and accurate interim financial reports. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)	The Saskatchewan Impaired Driver Treatment Centre (Centre) maintained accurate accounting records and, the Board received complete and accurate quarterly financial reports. The Centre contracted an accounting firm to prepare accurate annual financial statements. The annual financial statements submitted for audit did not contain errors.
We recommended that the Saskatchewan Impaired Driver Treatment Centre submit its annual report including its audited financial statements to the Minister responsible as required by *The Public Health Act*. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)	The Saskatchewan Impaired Driver Treatment Centre's Board approved the Centre's statements for the year ended March 31, 2016 on July 14, 2016, and had their annual report tabled on July 28, 2016.
Saskatchewan Research Council	
We recommended that the Saskatchewan Research Council follow its processes to review and verify incentive bonuses to its senior executives prior to paying them out. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)	During 2015-16, all incentive bonuses that the Saskatchewan Research Council (SRC) paid to senior executives were reviewed and verified prior to payment.
We recommended that the Saskatchewan Research Council obtain Treasury Board approval, as required by law, for the use of its bank account. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)	In July of 2015, SRC obtained written approval to use its bank account from Treasury Board.
We recommended that the Saskatchewan Research Council obtain Lieutenant Governor in Council approval, as required by law, for the remuneration it pays to its Board members. (2014 Report – Volume 2; Public Accounts Committee agreement Sept 17, 2015)	In January of 2016, SRC obtained Lieutenant Governor in Council approval for the remuneration it pays to its Board members.
Southeast College	
We recommended that Southeast College require the review and approval of bank reconciliations by someone other than the preparer of the reconciliations. (2015 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)	Southeast College's Finance Manager reviewed and approved the College's bank reconciliations independent of their preparation.
We recommended that Southeast College implement a policy for recording journal entries in its accounting records that includes review and approval by someone other than the preparer. (2015 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)	Southeast College implemented procedures for recording journal entries, which includes review and approval by someone other than the preparer.
We recommended that Southeast College require staff that make bank deposits to leave evidence of their involvement. (2015 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)	Southeast College requires staff that make bank deposits to leave evidence of their involvement on the cash log, which is monitored by the Finance Manager.

^ PAS – Provincial Auditor of Saskatchewan.
PAC – Standing Committee on Public Accounts.



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Chapter 24
Advanced Education—Approving Capital Projects

1.0 MAIN POINTS

This chapter describes the results of the Ministry of Advanced Education's (Ministry) processes to approve post-secondary capital projects. These capital projects are government investments in infrastructure at Saskatchewan universities, Saskatchewan Polytechnic, and regional colleges. The Ministry co-ordinates infrastructure planning for the post-secondary sector with SaskBuilds, who is the lead agency for the Government's centralized long-term infrastructure planning.

For the 12-month period ended August 15, 2016, the Ministry had, other than the following, effective processes to approve post-secondary capital projects. The Ministry needs to give post-secondary institutions timely feedback about their capital project requests that were not approved.

2.0 INTRODUCTION

Strategic priorities from the *Saskatchewan Plan for Growth* and the *International Education Strategy*, as they pertain to the Ministry, are investing in infrastructure and planning for growth; improving educational outcomes; increasing immigration and engaging the world.[1]

The *Ministry of Advanced Education Plan for 2016-17* describes its mandate as being responsible for a post-secondary education system that supports a growing Saskatchewan and that leads to a higher quality of life.[2]

One of the Ministry's strategies is that physical infrastructure supports Ministry and sector goals.[3] As set out in **Figure 1**, its related key actions include providing capital funding for post-secondary institutions, and developing and implementing a sector-wide capital plan. In Saskatchewan, post-secondary institutions include the University of Saskatchewan, University of Regina, Saskatchewan Polytechnic, seven regional colleges[4] and other institutions.[5]

Figure 1—Extract from Ministry of Advanced Education's 2016-17 Plan

Strategy: Physical infrastructure supports Ministry and sector goals

Key Actions:
- Provide operational and capital funding for post-secondary institutions
- Provide capital funding including support for major capital projects as well as repairs and maintenance (i.e. Preventative Maintenance and Renewal)
- Develop and implement a sector-wide capital plan
- Work with institutions to develop a consistent definition of deferred maintenance and current replacement value
- Work with the public post-secondary institutions to inventory the deferred maintenance backlog

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[1] *Ministry of Advanced Education Plan for 2016-17*, pp. 3, 5-6.
[2] Ibid., p. 3.
[3] Ibid., p. 8.
[4] Regional colleges include Carlton Trail, Cumberland, Parkland, North West, Northlands, Southeast, and Great Plains.
[5] Includes institutions such as the Saskatchewan Indian Institute of Technology.

2.1 Post-Secondary Capital

Between 2010-11 and 2014-15, enrolments at Saskatchewan's post-secondary institutions increased by 7.8%.[6] Post-secondary institutions need suitable physical infrastructure to meet growing demand.

Part of the Ministry's mandate is to meet the needs of students, and to provide opportunities for all students to prepare them to live, work, and learn in Saskatchewan.[7] One of its goals is to, by 2020, increase the number of international students studying in Saskatchewan by 75%.[8] Having modern, functional infrastructure helps Saskatchewan post-secondary institutions attract top students, faculty, and staff from around the world. Infrastructure can include buildings and significant components of buildings (e.g., heating systems).

Capital projects are investments institutions make to construct, expand, renovate, or replace existing infrastructure. **Figure 2** shows that the amount that post-secondary institutions have spent since 2010-11 on infrastructure fluctuates significantly.

Figure 2—Infrastructure Purchases[A]

Institution	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	(in thousands)					
University of Regina	$ 17,995	$ 8,325	$ 8,746	$ 40,514	$ 42,236	$ 19,858
University of Saskatchewan	161,095	101,604	60,329	326,258	14,574	30,320
Saskatchewan Polytechnic[B]	18,777[C]	5,482	2,694	1,838	2,216	1,450
Regional Colleges	-[D]	-[D]	335	717	2,991	17,220

Source: Adapted from information provided by the University of Regina, University of Saskatchewan, Saskatchewan Polytechnic, and regional colleges.

[A] Purchases include land acquisitions, building additions, site improvement additions and leasehold improvement additions.

[B] Formerly Saskatchewan Institute of Applied Science and Technology

[C] Detailed information on specific capital asset purchases was not available for 2010-11. Balance shown is total capital asset additions for the year, which would include items such as furniture, computers, and office equipment.

[D] Purchases not disclosed in the regional colleges' annual reports.

The Government indirectly manages the capital projects of Saskatchewan post-secondary institutions through a variety of mechanisms. These include:

- Directly approving certain capital projects—legislation governing Saskatchewan post-secondary institutions gives the Ministry approval authority for certain capital projects for universities,[9] technical[10] and regional colleges.[11]
- Controlling access to financing—legislation governing Saskatchewan post-secondary institutions requires them to obtain prior approval from either the Minister of Advanced Education (Minister) (Saskatchewan Polytechnic, regional colleges) or the Lieutenant Governor in Council (universities) of borrowings used to purchase land/buildings or construct buildings.[12,13]

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[6] *Ministry of Advanced Education Annual Report for 2015-16*, p. 8.

[7] *Ministry of Advanced Education Plan for 2016-17*, p. 3.

[8] Ibid., p. 4.

[9] *The University of Saskatchewan Act*, section 49(1)(c), and *The University of Regina Act*, section 62(b).

[10] *The Saskatchewan Polytechnic Act*, section 18.

[11] *The Regional Colleges Act*, section 14(f) and section 15.

[12] *The University of Saskatchewan Act*, section 95, and *The University of Regina Act*, section 71.

[13] *The Saskatchewan Polytechnic Act*, section 23 and *The Regional Colleges Act*, section 21.

- Approving purchase of land or the construction of buildings—legislation governing Saskatchewan post-secondary institutions requires them to obtain the approval of either the Minister, or the Lieutenant Governor in Council to acquire land or construct buildings.[14,15]

- Deciding on the nature and extent of funding for operations, research and capital—legislation governing Saskatchewan's universities prohibits them from incurring any liabilities or making any expenditures that would impair the financial status of the institution unless the Minister has first approved an estimate in writing.[16] Because Saskatchewan post-secondary institutions rely on transfers from the Provincial Government (grants) as a key source of revenue, the amount of grants the Ministry provides them each year can impact the amount of resources they have available for undertaking capital projects.

As shown in **Figure 3**, for the last six years, Ministry capital grants to post-secondary institutions have fluctuated significantly.

Figure 3—Advanced Education Post-Secondary Capital Grants

Institution	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16^
	(in thousands)					
University of Regina	$ 13,133	$ -	$ 7,253	$ 4,059	$ 4,976	$ 5,368
University of Saskatchewan	83,622	-	2,866	14,594	16,575	13,226
Saskatchewan Polytechnic	5,006	-	103	968	1,091	1,208
Regional Colleges	2,961	-	1,694	2,493	6,113	15,665

Source: Unless otherwise stated, *Public Accounts Volume 2*, Vote 31, Subvote AE02. Includes funding provided for preventative maintenance and renewal projects.
^ Source: Ministry of Advanced Education financial records

2.2 Ministry's Relationship with SaskBuilds

The Ministry is required to work with SaskBuilds who is the lead agency for the Government's centralized long-term infrastructure planning.

SaskBuilds is responsible for co-ordinating long-term infrastructure planning across the Government, including the Government's significant public-private partnership projects.[17,18] It leads the development of the Government's integrated long-term infrastructure plan; it updates this plan annually to inform the development of the Government's summary budget.[19] In addition, it provides a forum to share knowledge and best practices on capital planning.[20]

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[14] *The University of Saskatchewan Act*, section 92 requires approval for purchase of land/buildings; *The University of Regina Act*, sections 67, and 67.1 requires approval for purchase of land/buildings or construction of buildings.
[15] *The Saskatchewan Polytechnic Act*, section 14,and *The Regional Colleges Act*, section 14(f) and section 15.
[16] *The University of Saskatchewan Act*, section 93, and *The University of Regina Act*, section 63.
[17] *SaskBuilds 2015-16 Annual Report*, p. 4.
[18] The Provincial Government established SaskBuilds Corporation (SaskBuilds) as a Treasury Board Crown Corporation in October 2012.
[19] www.saskbuilds.ca/infrastructure-planning/ (29 September 2016).
[20] *SaskBuilds 2015-16 Annual Report*, p. 6.

The Ministry co-ordinates its infrastructure planning with SaskBuilds, and seeks its approval on significant post-secondary capital projects prior to proceeding and seeking Treasury Board's approval.

Effective approval processes for capital projects are necessary so that allocation of Ministry resources to the post-secondary sector is effective and efficient. Without effective capital project approval processes, the Ministry may be less likely to select projects that provide the most benefits to the post-secondary sector, and the public.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of the Ministry of Advanced Education's processes, for the 12-month period ending August 15, 2016, to approve post-secondary capital projects.

For the purposes of this audit, capital projects are considered to be post-secondary infrastructure that includes property, facilities, etc., where there is significant and long-term investment. They do not include research projects where a portion of the research grant may be used to purchase equipment or other types of capital.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's processes, we used criteria based on the work of other auditors and current literature. **Section 5.0** includes the primary sources for these criteria. Ministry management agreed with the criteria (see **Figure 4**).

We discussed processes with key management, reviewed guidelines related to the Ministry's capital asset processes, and examined information the Ministry used to analyze capital projects submitted by post-secondary institutions.

Figure 4—Audit Criteria

Processes to:

1. **Set framework for approval of capital projects**
    1.1 Establish capital project submission requirements
    1.2 Develop assessment criteria to prioritize capital projects
    1.3 Communicate requirements to institutions (e.g., timing, requirements, criteria)
2. **Select capital projects**
    2.1 Prioritize capital project submissions against criteria
    2.2 Approve capital projects
    2.3 Communicate capital project decisions
3. **Review selection process**
    3.1 Assess capital project approval process effectiveness (e.g., timing, capacity utilization)
    3.2 Adjust framework as necessary
    3.3 Communicate adjustments (e.g., institutions, senior management)

We concluded that for the 12-month period ending August 15, 2016, the Ministry of Advanced Education had, except in the following area, effective processes to approve post-secondary capital projects. The Ministry needs to give post-secondary institutions timely feedback about capital project requests that are not approved.

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we set out the criteria (expectations) in italics, and our key findings along with the related recommendation.

4.1 Framework for Approval of Capital Projects Established

We expected that the Ministry would establish capital project submission requirements. We expected the Ministry to develop assessment criteria to prioritize capital projects. We also expected that the Ministry would communicate requirements and the adjustments to requirements to institutions (e.g., timing, criteria).

4.1.1 Clear Capital Project Submission Requirements and Criteria Established

The Ministry is responsible for co-ordinating the long-term planning for the post-secondary sector. As previously noted, the Ministry must work with SaskBuilds on its post-secondary capital planning.

As shown in **Figure 5**, SaskBuilds expects the Ministry to collect and co-ordinate the capital project submissions from post-secondary institutions for submission to SaskBuilds for its consideration.

SaskBuilds has capital planning frameworks, manuals and other tools to assist ministries and other government agencies in their capital planning processes. SaskBuilds requires ministries and other government agencies to use its standardized forms and templates when assessing capital projects to submit for consideration, and providing it information on capital project requests. For example, the Ministry must use SaskBuilds' assessment templates to assess capital project submissions from post-secondary institutions. SaskBuilds updates the criteria reflected in these templates through consultation with stakeholders through the Community of Practice annually.[21]

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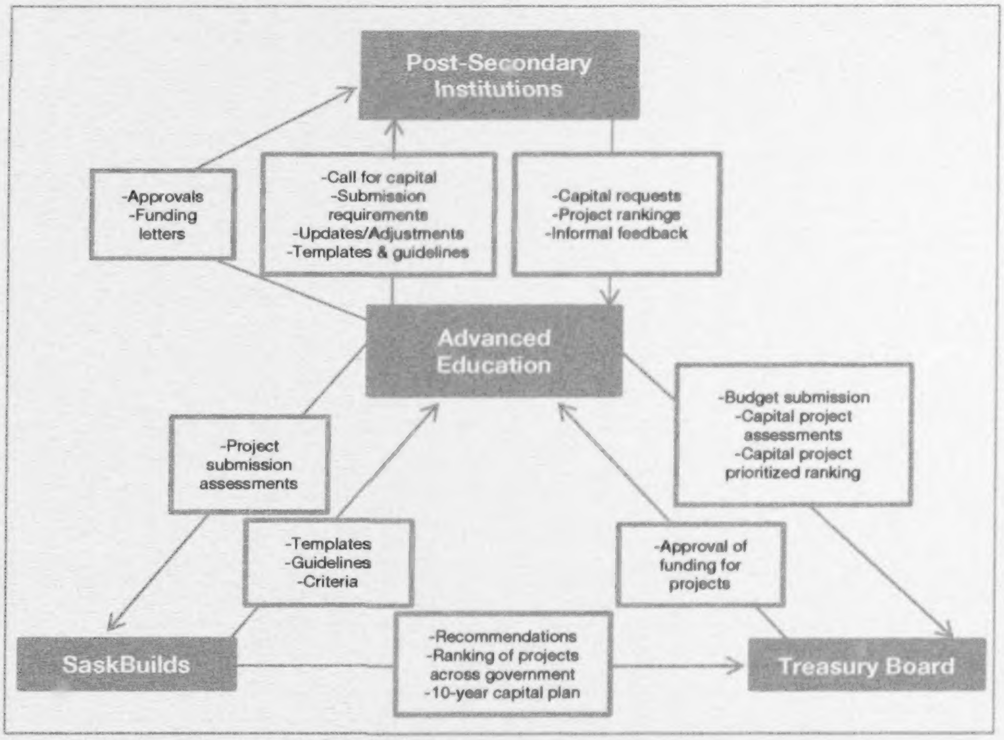
[21] Community of Practice is a community of senior officials in ministries with capital budgets or a strong interest in provincial capital spending. The group is co-led by SaskBuilds and the Ministry of Finance.

Figure 5—Post-Secondary Capital Planning Process


Post-Secondary Institutions
-Approvals
-Funding letters
-Call for capital
-Submission requirements
-Updates/Adjustments
-Templates & guidelines
-Capital requests
-Project rankings
-Informal feedback
Advanced Education
-Budget submission
-Capital project assessments
-Capital project prioritized ranking
-Project submission assessments
-Templates
-Guidelines
-Criteria
-Approval of funding for projects
SaskBuilds
-Recommendations
-Ranking of projects across government
-10-year capital plan
Treasury Board

Source: Adapted from information provided by the Ministry.

We found that the Ministry has adopted the SaskBuilds' capital planning processes including its forms and templates.

For example, the Ministry:

- Requires post-secondary institutions to use the SaskBuilds' guidelines and templates (e.g., needs assessment template) when making capital project requests of the Ministry. We found that the Ministry's capital project submission requirements outlined in the templates align with the strategic goals in the Ministry's *2015-16 Plan* and the Government's *Saskatchewan Plan for Growth: Vision 2020 and Beyond*.

- Uses SaskBuilds' established assessment criteria (e.g., condition of existing assets) for assessing post-secondary capital projects. We found the criteria used by the Ministry to assess post-secondary projects are current and aligned with Ministry and Government strategic goals.

- Requires capital project submissions from post-secondary institutions to include costs and financial information. The financial information includes estimated total project costs, Ministry's share of the costs, yearly funding requests from the Ministry, and whether the institution is planning to borrow money for the project.

Using the same process as SaskBuilds helps the Ministry ensure the post-secondary education capital project submissions meet all of SaskBuilds' requirements.

4.1.2 Clear Timelines Established for Submission Requirements

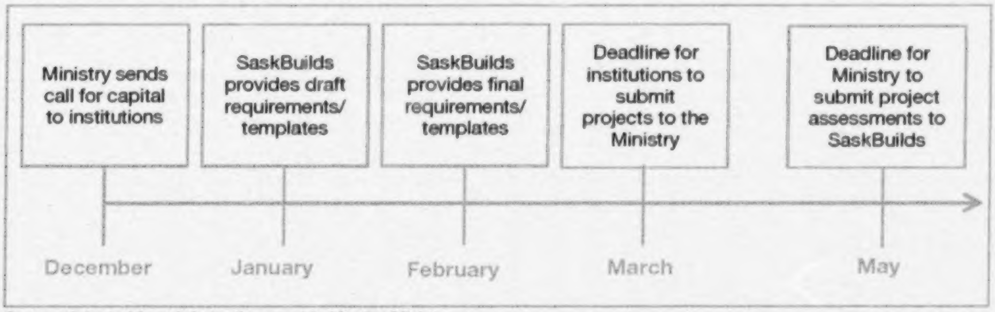
Each year, the Ministry sends out communications outlining the capital submission requirements (call for capital) to post-secondary institutions in December. The call includes the Ministry's initial requirements for making capital project requests for the upcoming year (e.g., project proposal template).

The Ministry makes this call before it receives SaskBuilds' draft submission requirements (e.g., needs assessment template). The Ministry typically receives the draft requirements from SaskBuilds in January, and final requirements in February. The Ministry has decided to send out its call in December to give institutions additional time to decide upon and prepare their capital project submissions to enable them to meet the Ministry deadline.

We found that the Ministry communicated changes in submission requirements to post-secondary institutions as it received them from SaskBuilds. Institutions indicated they did not find receiving changes in requirements during the process caused problems in their submission preparation process.

The Ministry typically requires institutions to submit their capital requests for the upcoming year to the Ministry by March. Setting a March deadline for post-secondary institutions' submissions gives the Ministry time to assess the post-secondary capital requests and prepare its submission to SaskBuilds. SaskBuilds requires the Ministry to submit capital projects requests by the end of May (see **Figure 6**).

Figure 6—Capital Project Submission Timelines


Ministry sends call for capital to institutions
SaskBuilds provides draft requirements/ templates
SaskBuilds provides final requirements/ templates
Deadline for institutions to submit projects to the Ministry
Deadline for Ministry to submit project assessments to SaskBuilds
December
January
February
March
May

Source: Adapted from information provided by the Ministry.

4.2 Consistent Process Used to Assess Capital Project Submissions

We expected the Ministry to prioritize capital project submissions against criteria. We expected the Ministry to approve capital projects. We also expected the Ministry to communicate capital project decisions.

4.2.1 Capital Project Submissions Assessed and Prioritized

The Ministry tracks receipt of capital project submissions from post-secondary institutions. It routinely reminds institutions of the deadline. Where it has not received any submissions prior to the deadline, the Ministry asks the institutions whether the institution plans to make any requests.

The Ministry uses established assessment criteria (e.g., scope of economic impact [community, region, provincial], social impact [improving quality of life]) to assess each capital project submission on a consistent basis.

We found its assessment criteria did not include consideration of institutions' proposed financing plans for submitted capital projects. Rather it reviewed the reasonability of the financing costs in the submission, and assessed whether the proposed financing would adversely affect the financial viability of the institution.

The Ministry uses scores from its assessments to prioritize (rank) capital project submissions. We found that senior Ministry officials (e.g., Assistant Deputy Minister, Deputy Minister) reviewed and approved completed assessments and priority rankings prior to submission of the assessments to SaskBuilds[22] and preparation of the Ministry's annual budget submission to Treasury Board. As shown in **Figure 6**, there is six months between the Ministry's call for capital and its submission of projects to SaskBuilds.

The Ministry does not determine individual institutions' financing for capital projects or make the final financing decisions or capital funding decisions. Rather once the Ministry assesses and prioritizes a project for inclusion in its annual submission, the project is subject to Treasury Board's annual budget cycle, and the individual institution's legislative requirements for capital projects.

In the preparation of its annual budget submission (which is prepared in the fall), the Ministry decides which projects to include in the submission. We found the Ministry used the results of its assessments and ranking to prepare its annual budget submission.

The Ministry's annual budget submission to Treasury Board contained its capital project assessments and priority rankings. In addition, for the selected projects, it included financing information that it collected as part of the institution's capital submission.

We were advised that Treasury Board makes funding decisions considering both the Ministry and SaskBuilds priority rankings. Treasury Board communicates decisions to the Ministry before the Government's budget release, which is typically the following March (for 2016, this was in June), which is 15 months after the initial call for capital by the Ministry.

The Ministry obtains Treasury Board's decisions before it seeks its Minister's approval of post-secondary capital projects and aligns its request for Minister approval of capital projects with that of Treasury Board.

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[22] SaskBuilds completes its own assessment of projects with a government-wide view and communicates its priorities to Treasury Board.

4.2.2 Feedback on Unapproved Capital Projects Needed

The Ministry used various means to advise institutions which capital projects requests were approved (such as funding letters, approval letters from the Minister and Orders in Council [if required by law]). Communications coincide with the Government's budget release, which is typically in March (for 2016, this was in June). We found its communications included project approvals, funding information, and additional relevant information regarding the project (e.g., timing of funding payments).

We found that the Ministry communicated more informally when project requests were not approved. However, it does not tell institutions why their project requests were not approved. Such feedback would provide institutions insight on what to change when making future requests, and advice on next steps (e.g., resubmit proposal, find alternative solutions).

1. **We recommend that the Ministry of Advanced Education give post-secondary institutions timely feedback about capital project requests that are not approved.**

4.3 Feedback on Capital Project Approval Process Obtained

We expected the Ministry to assess its capital project approval process effectiveness and adjust its framework as necessary. We also expected the Ministry to communicate adjustments to its process (e.g., to institutions and senior management).

The Ministry routinely gathers feedback on its capital project approval process. Because it has modelled its process on SaskBuilds' process, it leverages SaskBuilds' best practice process to evaluate its own process. For example, it participates in best practice discussions with SaskBuilds' Community of Practice, and seeks advice from SaskBuilds officials. As discussed in **Section 4.1.2**, we found that the Ministry communicated adjustments to the process (i.e., changes in submission requirements) to post-secondary institutions.

In addition, the Ministry seeks input from the post-secondary sector. It discusses its practices with other areas within the Ministry. The Ministry met with officials from Saskatchewan's three largest post-secondary institutions (i.e., University of Saskatchewan, University of Regina, Saskatchewan Polytechnic) on a regular basis. It also met informally with officials from regional colleges.

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Chapter 25
Cypress Regional Health Authority—Delivering Accessible and Responsive Ambulance Services

1.0 MAIN POINTS

Under *The Regional Health Services Act*, Regional Health Authorities (RHAs) are responsible for planning, organizing, delivering, and evaluating health services within their health region. In addition, *The Ambulance Act*, section 10(1) states, *the RHA board shall ensure that the health region receives adequate ambulance services.*

Cypress Regional Health Authority (Cypress RHA) strives to provide its residents with ground ambulance service that is timely and responsive. For the 12-month period ended August 31, 2016, Cypress RHA had, other than the following, effective processes for delivering accessible and responsive ambulance services.

Cypress RHA needs to:

- Update its contracts with ground ambulance service providers. This would help support effective monitoring of contracted ambulance service providers.
- Confirm ground ambulance operators operating in its region hold current operating licences. This confirms ambulances are safe to drive.
- Analyze ambulance response times higher than target times to determine actions needed. This analysis will give Cypress RHA the ability to determine the reasons for delays in response times that may be contributing to negative patient outcomes.
- Monitor and report on key measures for its ambulance services to its senior management, the board, and the public. This provides for transparency and accountability and help instill public confidence in the ambulance services in the region.

We also directed two recommendations to the Ministry of Health. The Ministry of Health needs to:

- Work with regional health authorities (including Cypress RHA), to formally assess the distribution of ambulance services across the province. This would support the determination of optimal locations for ambulance services, understanding the ambulance staff required to serve their regions, and cost-effective use of ambulance services.
- Consider updating *The Ambulance Act* related to contracted ground ambulance service providers to align with contract management best practices. This would allow RHAs to update, terminate, or renew contracts with ground ambulance service providers as required.

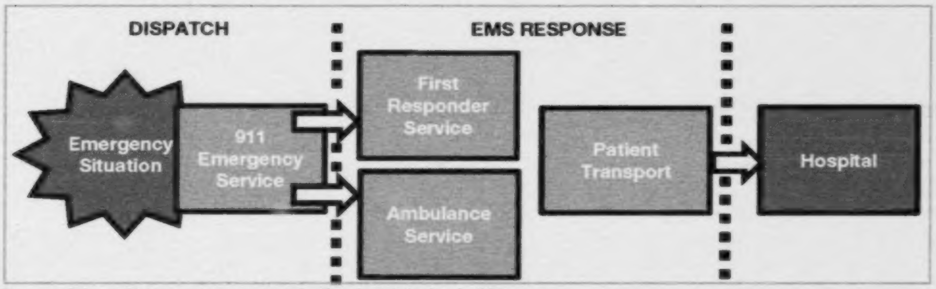
2.0 INTRODUCTION

Ambulance services provide patients with access to emergency medical services, and transportation to the care they need. In Saskatchewan, RHAs provide ground ambulance services.

2.1 Ambulance Services in Saskatchewan

Ambulance service is part of pre-hospital emergency services and inter-facility transfers, these are an essential component of public access to health services. As shown in **Figure 1**, when someone calls 911, in an emergency situation, their call triggers a series of actions and responses that involve several responders.

Figure 1—Pre-Hospital Response Chain



Source: Adapted from various sources by Provincial Auditor's Office.

Ambulance emergency response times are measured from the time of the call to when the ambulance arrives on scene. Generally accepted timeliness targets among EMS providers in Saskatchewan are 8 minutes 59 seconds in urban centres and under 30 minutes in rural areas.[1]

911 Emergency Service

Saskatchewan's 911 emergency services have two main components—Public Safety Answering Points (PSAPs) and emergency dispatch centres.

PSAP staff answer emergency calls to 911 at one of Sask 911's four PSAPs located in Prince Albert, Regina, Saskatoon, and Lloydminster. The Prince Albert PSAP provides coverage for most of Saskatchewan; Regina, Saskatoon, and Lloydminster PSAPs each serve those within their respective city boundaries.

911 callers are to identify whether the emergency is related to fire, police, or ambulance. PSAP staff transfer calls for ambulance service to the appropriate emergency dispatch centre. For example, three ground ambulance dispatch centres (also referred to as EMS Communications Centre) are located in Prince Albert, Regina, and Saskatoon. The Regina Dispatch Centre provides services to all the RHAs in southeast Saskatchewan (i.e., Cypress, Sun Country, Regina Qu'Appelle, Five Hills, and Sunrise RHAs).

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[1] Ministry of Health, *Fact Sheet*, (2016).

Dispatchers working in an EMS Communications Centre follow protocols based on the type of emergency and location. Using information provided by the caller, the dispatcher assesses the patient's alertness and supports patients requiring urgent care. The dispatcher uses the patient's care needs to determine the mode of transport, which could include road ambulance or STARS helicopter medical service, or a combination of these services.

Dispatchers also track key information on the response time standards set out in **Figure 2**.

Figure 2—2016 Established Provincial Response Times and Targets

In May 2016, a provincial sub-working group made recommendations to define, measure, and report on provincial ambulance response times. The group was comprised of staff from RHAs and the Ministry of Health. Based on the work of the group, the Ministry established the following response time standards and targets for Saskatchewan:

- **Alert Time** – the time it takes for the ambulance crew to be notified of a response by the EMS Communications Centre/Dispatch Centre; target is **less than 60 seconds** 90% of the time
- **Chute Time** – the time from when an ambulance crew is alerted of the call to when paramedic staff are in the ambulance responding; target is **less than 10 minutes in rural** locations 90% of the time and **less than 60 seconds in urban** locations with 90% of the time
- **Response Time** – the total time from when a call comes into the EMS Communications Centre until the ambulance crew arrives on scene. Response time includes alert, chute, and travel time. Target is **less than 30 minutes in rural** locations and less **than 9 minutes in urban** locations 90% of the time.

Source: *Provincial Response Time Reporting Standards* provided by the Ministry of Health.

Medical First Responder Service

Rural patients often receive support from volunteer medical first responders until an ambulance arrives. Medical first responders are also dispatched through the EMS Communications Centres.

The Ministry of Health registers medical first responders. It requires them to complete a 40-hour Canadian Red Cross training program before they can register with the EMS Communications Centre (or dispatch). Certification lasts for a two-year period, after which they must recertify.

Medical first responders are not paid positions. Cypress RHA, similar to other health regions, is responsible for the recruitment, co-ordination, education, and support of medical first responder groups.

Ambulance Services

Saskatchewan has both ground and air ambulance services. *The Ambulance Act* regulates the licensing and operation of ground ambulance services. It defines ambulance services as a service available for the conveyance and stabilization of patients and includes dispatching of ambulance; it does not regulate air ambulance services. It requires all ground ambulance service operators to hold a valid licence that the Ministry of Health is responsible for issuing.

The Saskatchewan College of Paramedics (College) licenses emergency medical personnel in Saskatchewan through four types of memberships:

- Emergency medical responders (EMR)[2]
- Emergency medical technicians (EMT)/primary care paramedics (PCP)[3]
- Intermediate care paramedics (ICP)[4]
- Advanced care paramedics (ACP)[5]

The College has continuing education requirements and mandatory training for licensed members.

Deployment of ground ambulances takes place in one of two ways:

- Emergency call to 911
- Inter-facility transports (e.g., between two hospitals, between a hospital and long-term care facility)—normally through the guidance of a physician who deems ambulance as appropriate transportation (i.e., in the best interest of the patient's health and well-being)

104 ground ambulance operators operate in 106 communities in Saskatchewan—51 are RHA owned and operated, 37 are private owned and operated, 14 are non-profit owned and operated, and 2 are owned and operated by First Nations communities.

Saskatchewan ground ambulance operators, on average, have low call volumes. 55 of the 104 ground ambulance operators respond to less than one call per day, and 10 respond to less than one call per week. As such, ambulance operators' staff are often on-call, or with less than full-time work arrangements.

Three air ambulance service operators operate within Saskatchewan as of August 31, 2016:

- Shock Trauma Air Rescue Society (STARS)—a charitable, non-profit organization that provides air medical transportation for critically ill and injured patients by helicopter 24 hours a day; it receives some of its funding through the Ministry of Health
- Saskatchewan Air Ambulance—critical care air ambulance service based at the Saskatoon airport, operated by the Saskatoon Health Region and administered by the Ministry of Health
- Transwest Air—contracted private operator that provides transportation for basic to intermediate-level patients in northern Saskatchewan to the appropriate hospital; contracted by Mamawetan Churchill River RHA

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[2] An EMR licence is the entry point to be licensed as a paramedic as it has the least educational requirements. EMRs are responsible for basic life support procedures, monitoring of minimal advanced life support procedures and are limited to administering basic life support medications.

[3] EMTs/PCPs are the largest group of paramedic professionals in Saskatchewan. A licence at this level is a mid-point of licensure as a paramedic. EMTs/PCPs are also responsible for basic life support procedures, but have increased ability to assist, monitor and perform advanced life support skills and an increased ability to administer medications.

[4] An ICP is a unique licence level to Saskatchewan and is another mid-point of licensure as a paramedic. They are responsible for basic life support procedures, have an increased ability to assist, monitor and perform advanced life support skills and an increased ability to administer medications as compared to the EMT/PCP licensure level.

[5] An ACP licence is the highest licence level that can be achieved in Saskatchewan with the highest educational requirements that builds upon education received as an EMT/PCP or an EMT-A/ICP (Emergency Medical Technician-Advanced/ Advanced Intermediate Care Paramedic).

EMS Communications Centres and STARS dispatch staff decide whether to deploy STARS air ambulance. Physicians, along with the Provincial Air-Medical Co-ordination Centre, co-ordinate deployment of Saskatchewan Air Ambulance and Transwest Air.

3.0 IMPORTANCE OF AMBULANCE SERVICES

Ambulance services are a critical component of the provincial health care system, providing emergency lifesaving treatment and transporting patients to the necessary level of care. Ambulance services stabilize and improve patient condition at emergency scenes, and during transfers to and between healthcare facilities.

Accessible and responsive ambulance services are important because of the geographic spread and remoteness of some communities in rural Saskatchewan, including those in the region for which Cypress RHA is responsible.

To contribute to the best outcomes for patients, ambulance services in Cypress RHA require the combination of quick transport times with the provision of the appropriate level of care. The location and condition of the ambulance and the level of proficiency of the ambulance staff can influence transporting patients in a safe and timely manner.

Also, operation of ambulance services is a mixture of contracted and RHA-owned operators in Cypress RHA. As for any contracted service, use of contracted ambulance service includes additional dimensions of contract management for Cypress RHA—having adequate contracts, in addition to the active monitoring of the delivery and quality of service.

4.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of Cypress Regional Health Authority's processes, for the period of September 1, 2015 to August 31, 2016, to deliver accessible and responsive ambulance services.

Because Cypress RHA is not responsible for air ambulance services, our audit did not assess air ambulance services. In addition, the audit did not assess the quality of care provided by emergency medical personnel.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Cypress RHA's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. Cypress RHA's management agreed with the criteria (see **Figure 3**).

We examined Cypress RHA's policies and procedures, contracts, ambulance operator licences, checklists, reports, and other data related to ambulance services. We visited an ambulance operator site. We assessed Cypress RHA's processes for allocating resources, contracting and monitoring service providers, inspecting ambulances and equipment, responding to service calls, and monitoring ambulance service performance. We compared ambulance service processes in Cypress RHA with Alberta Health

Services because portions of Alberta have similar geography and demographics to the Cypress Health Region.

Figure 3—Audit Criteria

Processes to:

1. **Set ambulance service delivery approach (e.g., contracted or directly owned)**
    - 1.1 Assess demand for ambulance services
    - 1.2 Establish ambulance service expectations (e.g., response times, regional coverage) to guide and evaluate service
    - 1.3 Allocate resources (ambulance staff, medical first responders, ambulances, equipment required)
    - 1.4 Set policies and procedures to deliver ambulance services
    - 1.5 Establish contracts with third-party service providers (e.g., dispatch, ambulance operators)
2. **Deploy ambulance services in a timely manner**
    - 2.1 Receive pertinent information from dispatch
    - 2.2 Maintain ambulances and equipment in good working condition
    - 2.3 Retain qualified ambulance staff and medical first responders
    - 2.4 Respond to service calls within target timeframe
    - 2.5 Transport patients to level of care needed (including transfer from ambulance staff to hospital staff)
3. **Monitor ambulance service performance**
    - 3.1 Collect information on ambulance service performance
    - 3.2 Compare results against expectations and address areas where improvement is needed
    - 3.3 Take corrective action on critical incidents and complaints
    - 3.4 Report results to senior management, the Board, and the public

We concluded that for the 12-month period ended August 31, 2016, Cypress Regional Health Authority had, other than the following areas, effective processes to deliver accessible and responsive ground ambulance services. Cypress Regional Health Authority needs to:

- **Update its contracts with ground ambulance service providers (after contract constraints in legislation are addressed by the Ministry of Health)**
- **Confirm ground ambulance operators operating in its region hold current operating licences**
- **Analyze ambulance response times higher than target times to determine actions needed**
- **Monitor and report on key measures for its ambulance services**

In addition, the Ministry of Health, in conjunction with regional health authorities, needs to formally assess the distribution of ambulance services across the province.

5.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we describe our key findings and recommendations related to the audit criteria in **Figure 3**.

5.1 Province-Wide Assessment of Ambulance Services Needed

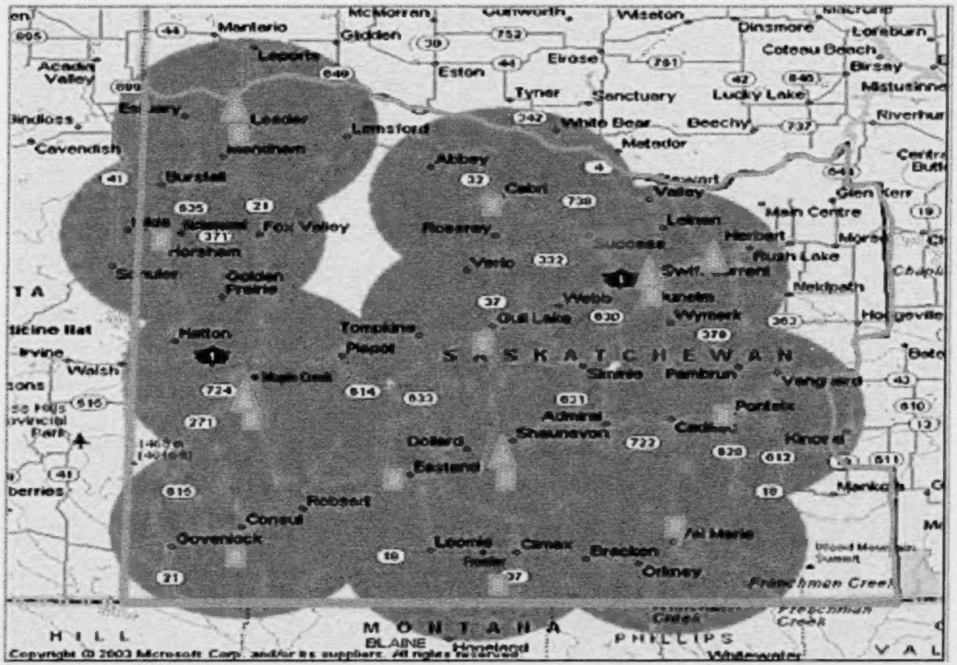
Effective ambulance service delivery strives to provide every patient with the right care at the right time. To do this, Cypress RHA must understand patient demand for services, define timely service, and then know whether it is meeting demand in an effective manner.

Better Understanding Future Patient Demand Needed

In 2015, Cypress RHA had a population of 44,897 residents.[6] This population is spread over a land mass of approximately 44,000 square kilometres. The only urban centre in Cypress RHA is Swift Current with a population of 17,826. Its next largest communities include Maple Creek (3,068), Shaunavon (2,324), Gull Lake (1,355), Leader (1,135), and Herbert (934). Each of these communities has ambulance service operators with the exception of Herbert. As shown in **Figure 4**, hospitals reside in Swift Current, Maple Creek, Shaunavon, Leader, and Herbert.

To provide a 30-minute response time for rural areas, Cypress RHA has located ambulance operators throughout various parts of region (see **Figure 4**). As a result, Cypress RHA has ambulance services in 12 communities using a mix of RHA-owned ambulances and contracted ambulance service providers. The number of ambulance operators in the region has remained the same since 2002.

Figure 4—Cypress RHA 30-Minute Response Coverage Map


Leader
Swift Current
Maple Creek
Shaunavon
Gull Lake
Herbert
S A S K A T C H E W A N
M O N T A N A
Copyright © 2003 Microsoft Corp. and/or its suppliers. All rights reserved.
Hospital
Ambulance service

Source: Cypress RHA's website.

We found Cypress RHA monitors, on a limited basis, historical patient demand and overall response times relative to ambulance operator location. Even though Cypress RHA receives information from the Ministry of Health, Cypress RHA analysis of it is limited.

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[6] *Ministry of Health Covered Population Report*, (2015).

Each year, the Ministry of Health gives Cypress RHA ambulance performance information, including response times and total number and type of ambulance service calls. Based on Ministry of Health performance information for 2014-15, Cypress RHA responded to 3,826 ambulance service calls (see **Figure 5**). Emergency responses[7] made up about 39% of total calls. Other service calls mainly relate to patient transfers (inter-facility transports).

Figure 5—Calls for Ambulance Services for 2014-15 in Cypress RHA

Community	Ownership	Total Service Calls	Average number of calls per week	Emergency Calls	Emergency Calls as % of Total
Cabri	RHA	67	1.29	29	43.3%
Consul	RHA	28	0.54	14	50.0%
Eastend	RHA	117	2.25	38	32.5%
Frontier	Contracted	93	1.79	38	40.9%
Gull Lake	Contracted	153	1.79	60	39.2%
Leader	RHA	202	3.88	57	28.2%
Maple Creek	RHA	430	8.27	119	27.7%
Ponteix	Contracted	180	3.46	91	50.6%
Richmound	RHA	42	0.81	18	42.9%
Shaunavon	RHA	227	4.37	81	35.7%
Swift Current	Contracted	2,266	43.58	625	27.6%
Val Marie	Contracted	21	0.40	11	52.4%
Total		**3,826**	**73.58**	**1,181**	**39.0%**

Source: Ministry of Health data; 2015-16 service call data was not available at August 2016.

In addition, Cypress RHA has not evaluated population projections or demographics for the various areas of the region to determine where the greatest need for future ambulance services may come. Also, Cypress RHA does not analyze costs per service call.

Figure 5 shows the number of service calls that each operator receives varies significantly from a low of 21 calls in Val Marie to a high of over 2,000 in Swift Current. Six ambulance operators respond to less than two calls per week on average. Three ambulance operators respond to less than one call per week on average. Because of low call volumes, the emergency medical personnel of these ambulance operators are employed on an on-call basis.

Use of ambulance services for emergency calls in low call volume areas differs from current practice in Alberta. In Alberta, where call volumes are on average only 20 calls per year in a community, volunteer medical first responders are located in the community rather than ambulance services to provide timely assistance to those with a medical emergency. Alberta Health Services does support this Medical First Responder (MFR) program through registration in the provincial database, medical oversight, training and supply re-stocking.

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[7] An emergency response call is when lights and sirens are required versus a non-emergency call which may include transfer of a stable patient from one hospital to another for diagnostics or treatment.

In 2014-15, Cypress RHA spent $4.8 million on ground ambulance services including $1.9 million to contracted ambulance service providers (2015-16: $5.0 million total and $2.1 million to contracted ambulance service providers). We determined that, on average in 2014-15, the cost of service calls across the region ranged from $476 to $7,082 per operator with an overall average cost per call of about $2,400.[8]

While Cypress RHA is aware other RHAs face similar challenges in delivering ambulance services over a large sparsely populated area, it has not worked with them to share experiences and best practices on ambulance service delivery and approaches. For example, according to Heartland RHA's website, Heartland RHA provides emergency services to a population of 44,567 people over an area of 41,770 square kilometres (which is a comparable size to Cypress RHA). Heartland RHA has EMS services located in 16 communities as compared to Cypress RHA's 12. Cypress RHA was not aware of the reasons for the differences in the number of ambulance service operators.

All RHAs provide ambulance services. The Ministry of Health provides each of them with funding to cover most of their ambulance service costs, with the RHAs recovering the remaining costs through fees billed to patients and/or their insurers for use of ambulance services. As the primary funder, the Ministry has a vested interest in cost-effective delivery of ambulance service costs, and as such it could help RHAs understand why differences in ambulance service costs and delivery exists for similar populations and geographic areas, and share best practices.

The Ministry, along with the RHAs, could consider whether the current distribution of ambulance services across the province are set up to effectively meet future patient needs. They could also consider the impact of regional boundaries on that distribution.

Without a comprehensive review of patient demand relative to ambulance services, there is a risk that the Ministry and RHAs are not making the best use of resources.

1. **We recommend that the Ministry of Health, along with regional health authorities, formally assess whether the distribution of ambulance services are optimal for responding to patient demand.**

Ambulance Response Time Targets Set

Accessible and responsive ambulance services can be challenging because of the geographic spread and remoteness of some communities in rural Saskatchewan, including Cypress RHA. There are no Canadian or Saskatchewan regulated standards on ambulance response times (rural or urban). Rather, provincial target response times in Saskatchewan, set by the Ministry of Health, are 8 minutes 59 seconds in urban centres and under 30 minutes in rural areas.[9]

Cypress RHA, along with other RHAs in the province, has adopted the Ministry of Health's response time targets. It aims to meet those timeliness targets 90% of the time. Swift Current is the only urban centre in Cypress RHA.

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[8] Calculated by dividing total expenses by operator for the year over total call volume.

[9] Ministry of Health, *Fact Sheet*, (2016).

Alberta takes a similar approach in setting response time targets. In Alberta, like Saskatchewan, response time targets change depending on patient location (urban or rural).

5.2 Rationale for Allocating RHA-Owned Ambulances and Staff Needs Revisiting

At August 2016, as shown in **Figure 5**, Cypress RHA directly provides ambulance services in seven communities, with two or more RHA-owned ambulances in each community.

As shown in **Figure 5**, in 2014-15, communities with RHA-owned ambulances responded to about one to eight service calls per week, on average.

Although it usually maintains two ambulances in most RHA-owned operations, Cypress RHA, because of the low call volume and cost considerations, only schedules one ambulance crew at a time to each operation. A crew consists of two licensed emergency personnel on call. For one RHA-owned operation, a crew consists primarily of emergency medical responders (EMRs). EMRs can administer basic life support; whereas primary care paramedics (PCPs) can perform advanced life support skills.

Staffing only one ambulance crew at a time at each RHA-operation means, while the RHA has multiple ambulances available and maintained, only one ambulance at a time can be used to deliver services (either an emergency event or to perform a patient transfer [e.g., transporting a patient from Swift Current to Regina or Saskatoon]).

Cypress RHA recognizes timely ambulance care is integral to positive patient outcomes for patients that are experiencing life threatening conditions.

To manage the availability of ambulances in communities where it staffs only one ambulance, Cypress RHA uses two approaches.

- Where the RHA-owned ambulance is handling an emergency and the community receives a second call that is an emergency, dispatch uses another ambulance operator from another community to respond to the emergency call. Cypress RHA recognizes this approach results in increased response times.

- In situations where the RHA-owned ambulance is handling a patient transfer, it places another RHA-owned ambulance (e.g., from Leader, Richmound, and Maple Creek) in between various communities (e.g., halfway between Leader and Maple Creek) to provide ambulance coverage for both communities. While this approach results in increased response times for the home community, it decreases the response time for the community where its ambulance is handling a patient transfer.

  We found Richmound's response time compliance rate (for a 30-minute response time) was 69% in 2015-16 for all its emergency responses because many of its responses are taking place in Maple Creek and Leader coverage areas.

Cypress RHA does not have any Advanced Care Paramedics (ACPs) in the region. Cypress RHA has not reviewed the location of its ambulance operations, and ambulance staff levels and skills relative to workloads across the region for several years, or determined whether its staffing model reflects best practice. It has not considered whether it has the right emergency medical personnel in the right locations to best meet patient needs (see **Recommendations 1** and **7**).

5.3 Update of Contracts with Ambulance Service Providers Needed

As noted in **Figure 5**, Cypress RHA uses five contracted service providers to help provide ambulance coverage in the region. Cypress RHA has written contracts with each of its contracted ambulance service providers.

Cypress RHA renewed the contract with one service provider in 2016. It established the contracts with each of the four other service providers over 20 years ago. It had not renewed or updated the terms of the contracts since then.

We found that these five contracts do not include service quality expectations (e.g., response time targets, compliance with applicable RHA policies). They do not require service providers to share key information (such as complaints they had received or incidents they had experienced, submit completed incident reports)[10] with Cypress RHA to help it monitor and improve ambulance service delivery. One service provider we met was unaware of the Cypress RHA's 30-minute target response time.

To monitor contracted ambulance service providers, Cypress RHA management periodically visits each of them to observe and discuss operational issues.

Incorporating service quality expectations into contracts would help contracted ground ambulance service providers understand the service Cypress RHA expects of them. In addition, it would assist Cypress RHA to monitor the effectiveness of ambulance services they deliver and hold them accountable for the quality of service they provide.

2. **We recommend that Cypress Regional Health Authority update its contracts related to the provision of ground ambulance services to include service quality expectations and periodic reporting on them.**

The Ambulance Act (Act) recognizes that the use of contracted ambulance services providers helps provide adequate ambulance coverage. The Act, which came into effect in 1989, contains detailed provisions over the continuance, renewal, and terminations of contracts between RHAs and ambulance service providers (sections 10 and 18). For example, under the Act, these contracts automatically renew upon expiry; RHAs can only terminate them with just cause.

Having these provisions in law is unique and not consistent with contract management best practices. Efficient contract management requires timely planning for contract expiry. A contract management plan should contain steps to take before a contract expires, including determination of what approach will obtain the best value for money:

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[10] Cypress RHA policy requires its staff to submit incident reports for delays in response times (e.g., over 30 minutes).

extending or renewing the contract, or re-approaching the market under a new procurement process.[11]

The Minister of Health is assigned responsibility for this Act. The Legislative Assembly last changed provisions in this Act related to contracts with ambulance service providers in 2009. Cypress RHA finds these legislated provisions make it difficult to update contract terms and change how its uses ambulance service providers (e.g., the number or location of operators). In order to remain relevant and contribute to effective contract management, the Ministry of Health would need to revisit *The Ambulance Act*.

3. **We recommend that the Ministry of Health consider updating *The Ambulance Act* related to contracted ground ambulance service providers to align with contract management best practices.**

5.4 Confirmation Needed that Ambulance Operators Licences Are Current

Cypress RHA was not sufficiently monitoring whether ambulance operators met all licensing requirements.

The Ambulance Act requires an ambulance operator to hold a valid ambulance licence issued by the Minister of Health (s.30). Regulations under this Act expect the Board of the RHA to receive a copy of any ambulance licence issued to operators operating in its region. They also expect operators to display a copy of their current licence.

In addition, Cypress RHA's contracts with ambulance service providers require ambulance operators to hold a valid ambulance licence.

For the Ministry of Health to issue an ambulance licence, the law requires ambulance operators to have:

- A current SGI ambulance vehicle inspection (for all ambulances owned and operated)
- A current vehicle registration (for all ambulances owned and operated)
- A completed road ambulance equipment checklist
- Current public liability and malpractice insurance

Ambulance licences are valid for one year.

Cypress RHA does not have a process to confirm ambulance operators, either under its employ or with a contracted ambulance service provider, hold a current ambulance licence. It does not make sure its Board receives a copy of the current ambulance licence or operators display their current licences as the law expects.

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[11] Queensland Government, *Extending and Renewing Contracts*, (2014),

Cypress RHA did not obtain information or know if the ambulance service providers had recent SGI ambulance inspections on their ambulances. Annual ambulance inspections confirm ambulances are properly maintained and safe to drive.

For eight ambulance operators we tested in late July 2016, the licences of five ambulance operators had expired in April 2016. For these operators, we determined whether each ambulance operator had current SGI ambulance inspections. We found SGI had inspected all ambulances in use within the past year. We also found the Ministry of Health had not obtained this information as part of its ambulance licence renewal process. We think it should.

Confirming ambulance operators hold current ambulance licences confirms that ambulances are safe to drive and all required equipment is on board ambulances.

4. **We recommend that Cypress Regional Health Authority confirm ground ambulance operators operating in its region hold current ambulance licences.**

5.5 Ambulances and Equipment Properly Maintained

Cypress RHA has numerous policies related to ambulance services covering areas including: ambulance vehicle operation, restocking supplies, continuing education, patient transfers, and dispatch notification. It makes these policies available to staff through its internal website. Contracted service providers are not formally required to follow RHA policies (see **Recommendation 2**).

In addition, Cypress RHA has minimum ambulance standards that staff must follow so that RHA-owned ambulances have the necessary equipment in good working order. It stocks its ambulances with equipment as required in *The Ambulance Regulations* (Regulations), and restocks supplies upon completion of each service call.

Cypress RHA monitors mileage of all ambulances in the region. It considers age and the extent of ongoing maintenance required on RHA-owned ambulances to identify ambulances in need of replacement (as part of the capital funding request process) or major maintenance.

As management is alerted of the progress of every ambulance response in the region, it becomes aware of any ambulance break downs during a response to a service call immediately. There were no such instances in 2016.

For a sample of RHA-owned ambulances, we found maintenance took place regularly. Also, we confirmed that SGI had inspected all ambulances operating in the region in 2016; each passed inspection.

Cypress RHA has standardized the location of many of its supplies across all of its RHA-owned ambulances. Standard location of supplies makes it easier for part-time and casual emergency medical staff to find supplies in any ambulance.

RHA-owned ambulance operators conduct periodic (daily, weekly, monthly) checks on equipment and supply inventory levels and record these checks on tracking sheets (tracking sheet). They are to record the expiry date of inventory, where necessary, and remove expired items from stock. Contracted providers also conduct periodic checks on their equipment and supply inventory levels using tracking sheets as well.

We found tracking sheets aligned with the Regulations. We also found ambulance operators complete the sheet when required. However, we noted in a few cases, operators did not complete the sheet properly. For example, not all items on the tracking sheet were checked off.

Cypress RHA management periodically visits all ambulance operators and monitors the completion of tracking sheets. We encourage management to more closely monitor whether all items are checked off the sheet at the appropriate intervals.

5.6 Ambulance Staff are Properly Qualified and Trained

A significant component to providing timely and accessible ambulance services is the capacity to retain qualified personnel. Emergency medical personnel (e.g., EMRs, paramedics) and volunteer medical first responders are to stabilize and transport patients to the nearest hospital or primary care centre.

Cypress RHA employs two full-time primary care paramedics. Most EMRs/paramedics employed by Cypress RHA are employed on a part-time or casual basis and on call. It pays staff on call a remuneration of $5.00 per hour. In common with other RHAs, Cypress RHA finds recruiting and retaining part-time and casual emergency medical personnel challenging. It notes it could benefit from sharing of best practices of other RHAs in this area of staffing (see **Recommendation 1**).

Cypress RHA provides its staff and those of its contracted service providers with opportunities to fulfill their Saskatchewan College of Paramedics licensing requirements. It keeps track of who participates in its training events. For example, it offers an online training program nine times a year. It requires new EMRs/paramedics it employs to undergo orientation, training days with their manager, and site-specific training (which allows them to become familiar with the community).

Our review of the list of all EMRs/paramedics working for both Cypress RHA and contracted providers found them all to be in good standing with the Saskatchewan College of Paramedics.

In common with other RHAs, Cypress RHA also uses the medical first responder service. In 2015-16, medical first responders were dispatched in Cypress RHA 116 times.

Periodically, Cypress RHA supports medical first responder certification training to recruit and educate volunteer medical first responders. The most recent medical first responder certification training held in Cypress RHA was in 2015. 158 people located throughout the region completed the training and became licensed. As noted in **Section 2.1**, certification lasts for a two-year period.

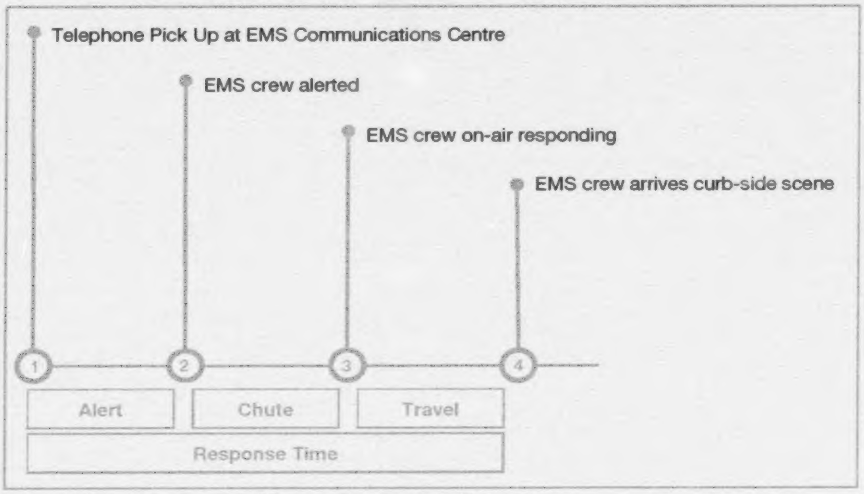
For a sample of medical first responders operating within the Region, we found they were all certified.

5.7 Overall Target Response Time Not Always Met

Cypress RHA contracts Regina Qu'Appelle (RQRHA) for 24-hours dispatch services. RQRHA provides these services through its Dispatch Centre.

Dispatch services include 911 call receiving and call evaluation (counted as alert time). As noted in **Section 2.1**, Saskatchewan's emergency dispatch centres (also referred to as EMS Communications Centres) track response call time performance intervals (see **Figure 6**. They use an IT system to do this.

Figure 6—Response Call Time Performance Intervals


Telephone Pick Up at EMS Communications Centre
EMS crew alerted
EMS crew on-air responding
EMS crew arrives curb-side scene
1
2
3
4
Alert
Chute
Travel
Response Time

Source: Adapted from *Provincial Response Time Reporting Standards*.
See **Figure 2** in **Section 2.1** for a description of the response times and Saskatchewan's provincial targets.

In addition, using IT systems, dispatch centres can identify the location of the medical emergency and the location of the closest ambulance. See **Figure 7** for a summary of technology that Saskatchewan dispatch centres use at August 2016.

Figure 7—Technology Saskatchewan Dispatch Centres Utilized at August 2016

- Provincial map – a provincial map that allows EMS dispatch to locate a visual route to the emergency call, determine where the closest available ambulance is, and provide ambulance crews with directions
- Integrated Reporting Tool – all information captured at the dispatch centre can be used to develop reports and provide information on specific events or overall system performance

Source: Adapted from information provided by RQRHA Dispatch Centre.

We found its contract with RQRHA included performance expectations and regular reporting requirements; the contract expired in 2013.

Radios – Primary Means of Communicating with Ambulance Operators

In Cypress RHA, radio communication is how RQRHA Dispatch Centre communicates with ambulance operators, and how Cypress RHA management and ambulance operators primarily communicate. Radio communications follow established protocols.

Once the RQRHA Dispatch Centre determines the location of a person in need of emergency ambulance services, it contacts Cypress RHA's closest ambulance operator by radio and maintains communication throughout the response. Cypress RHA management is notified by radio when an emergency response occurs and can monitor (and participate if needed) these radio communications. In addition, Cypress RHA automatically receives an email from RQRHA Dispatch Centre at the completion of the response. This email outlines the length of each response call time interval (e.g., alert, chute, and travel time). See **Figure 6** for description of each interval.

Additional Monitoring of Response Time Needed

We found Cypress RHA management focused its monitoring of response time on the achievement of the chute time target (i.e., less than 10 minutes 90% of the time). Chute time is the time from when an ambulance crew is alerted of the call to when paramedic staff are in the ambulance responding. Because most ambulance crews are on-call throughout Cypress RHA, chute time can take additional time.

In 2015-16, Cypress RHA had met the chute time of 10 minutes or less 3,651 times out of the 3,826 responses (95% compliance rate). It met its target.

Other than for Swift Current, Cypress RHA did not formally monitor alert or travel time on a regional basis or by ambulance operator. As shown in **Figure 8**, in 2015-16, Swift Current handled just over 1,100 emergency service calls (about 58% of the total number of calls). For Swift Current, each month, Cypress RHA management receives and reviews compliance reports on response times. It gets these reports from RQRHA Dispatch Centre.

For the remaining ambulance operations, it only monitored alert and travel time on a call-by-call basis through its review of the email from RQRHA Dispatch Centre at the completion of each response. In 2015-16, those operators responded to over 800 emergency service calls. Cypress RHA does not request or receive compliance reports for these operators.

Compliance rate is the degree to which each ambulance operator was able to meet the target response time, be it rural or urban.

We obtained response time compliance reports for all ambulance operators in Cypress RHA from the RQRHA Dispatch Centre. **Figure 8** provides response times for emergency calls by ambulance operator. We found the following, in 2015-16:

- RQRHA Dispatch Centre had alert time of less than 60 seconds, 78% of the time—below the target alert time of less than 60 seconds 90% of the time. The longest alert time was 120 seconds.

- Cypress RHA's response compliance rate as a region was 83%—below the target 90% compliance rate.

- 3 of 12 ambulance operators met the target 90% compliance response rate (Swift Current, Frontier, Gull Lake)—all contracted ambulance service providers.
- 5 of 12 ambulance operators had compliance response rates between 80% to 90%—4 of which are RHA-owned.
- The compliance rates of the remaining 4 ambulance operators ranged between 60% to 69%—this includes operators located in communities along the region's border with locations that are not accessible within 30 minutes by ambulance (e.g., Ponteix had a number of emergency calls from Mankota, which takes closer to 45 minutes to reach from Ponteix).

Twenty-five responses across the region exceeded a one hour response time—this included responses from both RHA-owned and contracted operators.

Figure 8—2015-16 Cypress RHA Response Times for Emergency Calls by Ambulance Operator

Community	Emergency calls	Number of Emergency Calls in excess of response target	Compliance rate %
Cabri	42	13	69
Consul	21	7	67
Eastend	57	8	86
Frontier	35	2	94
Gull Lake	87	6	93
Leader	85	17	80
Maple Creek	179	28	84
Ponteix	101	40	60
Richmound	39	12	69
Shaunavon	157	32	80
Swift Current [A]	1,152	80	93
Val Marie	17	2	88
Total	**1,972**	**247**	**83**

Source: RQRHA Dispatch Centre data reports.
[A] Swift Current includes both rural and urban response times.

Cypress RHA does not have analysis to know why responses took longer than expected or planned actions to improve the compliance rates of ambulance operators not achieving targets.

For example, it does not know if not having on-board computers in ambulances contribute to delays in finding the location of the emergency. **Figure 9** sets out some technology available for ambulances, but not being used by Cypress RHA. For example, Alberta has mobile data terminals and GPS technology on each ambulance.

Figure 9—Technology Available For Ambulances But Not Used by Cypress RHA

- Mobile data terminals – computers inside ambulances that can receive event information, transmit status of the responding ambulance, and provide the fastest route for the ambulance to respond
- Automatic Vehicle Locating – global positioning system (GPS) technology that could tell dispatch where the ambulance is on route to a call

Source: Adapted from information provided by RQRHA Dispatch Centre.

In addition, Cypress RHA does not know if response time delays are a result of ambulances not being readily available because of the time ambulance staff spend at emergency hospital departments. Ambulance staff cannot leave the hospital until the care of a patient is formally transferred to hospital staff.

At August 2016, Cypress RHA does not track how long it takes to transfer ambulance patients to hospital staff. Management indicated it had plans to require paramedics to record when they arrive at hospital or healthcare facility with a patient and when they are clear of a patient. It expected to implement this process in late 2016.

In addition, Cypress RHA is not enforcing its incident reporting policy which requires the ambulance operators to complete an incident report when there is a delay in response time. As noted in **Section 5.3**, contracted ambulance service providers are not required by contract to submit these reports.

We found the 2015-16 compliance reports for the region included instances (e.g., 247 emergency calls in excess of response target) where emergency responses times exceeded 30 minutes (both RHA-owned and contracted operators). Cypress RHA was unable to provide us with the related incident reports.

Without detailed analysis of trends, Cypress RHA does not know the extent of excessive response times that need addressing and reasons for delays that may contribute to negative patient outcomes.

5. **We recommend that Cypress Regional Health Authority monitor response times against targets for all ground ambulance operators on a regular basis (e.g., monthly or quarterly).**

6. **We recommend that Cypress Regional Health Authority follow its established policy to obtain completed incident reports (for instances when ground ambulance response times do not meet targets) so it can determine required actions.**

5.8 Performance Reporting and Analysis Needs Improvement to Support Timely and Accessible Ambulance Services

Cypress RHA gave its senior management, its Board, and the public limited information on how well it delivered its ambulance services.

Senior management and the Board receive summary reports of complaints and incidents that are reported. In our review of these reports, we found limited incidents and complaints related to ambulance services.

While it has adopted the provincial targets for response times (see **Figure 2**), we found senior management and the Board did not receive periodic comparisons of actual response times against the targets.

In addition, we noted Cypress RHA's *2015-16 Annual Report* did not discuss the quality of its ambulance services or the challenges it faces in the delivery of those services.

As shown in **Figure 10**, Alberta publicly reports on its delivery of ambulance services, including response times along with other factors like EMS hospital times, vital signs, and patient experience.

Figure 10—Alberta Health Services EMS-Specific Publicly Reported Measures

Alberta publicly reports on the following EMS-specific performance measures:

- Time to Dispatch Ambulance (90-second target) – time from when the call comes in to dispatch and ends when the closest ambulance crew is allocated
- Response Times (12-minute urban and 40-minute rural target) – time from when a call is received to when an EMS crew arrives on scene—for certain areas, Alberta posts these on the Alberta Health Service website
- EMS Hospital Times (1 hour 30-minute target in Edmonton and Calgary) – time from when an EMS crew arrives at a hospital emergency department until that crew is available to respond to another call
- Vital signs compliance (90% compliance target) – sets out compliance with a protocol that requires primary set of vital signs must be performed on patients
- Patient experience (90% satisfaction target) – surveys a sample of patients transported by EMS each quarter about their EMS experience

Source: Alberta Health Services website; www.albertahealthservices.ca/ems/ems.aspx (12 October 2016).

Without measuring key performance results, Cypress RHA does not know if it is delivering timely and quality ground ambulance services.

7. We recommend that Cypress Regional Health Authority report to senior management, the Board, and the public actual results against key measures to assess the success of its ground ambulance services at least annually.

6.0 SELECTED REFERENCES

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Chapter 26
Finance—Public Employees Benefits Agency—Securing Personal Information

1.0 MAIN POINTS

The Public Employees Benefits Agency (PEBA) operates and administers various government pension and benefit plans for employees of the Government of Saskatchewan and certain employees of municipal governments. PEBA is responsible for maintaining personal information[1] that is required for the operation and administration of these plans.[2] PEBA must secure information entrusted to it.

For the 12-month period ended July 31, 2016, PEBA had, other than for the following matters, effective processes to secure pension and benefit plan participants' personal information.

PEBA needs to make all procedures used to secure personal information readily accessible to its staff to reduce the risk that employees will not follow processes. In addition, PEBA needs to periodically update its non-IT policies to secure personal information. Not doing so increases the risk PEBA may no longer appropriately secure personal information.

2.0 INTRODUCTION

PEBA is a branch within the Ministry of Finance. Under *The Financial Administration Act, 1993,* PEBA is responsible for operating and administering various government pension and benefit plans for Government of Saskatchewan employees and certain municipal government employees. PEBA is responsible for creating and maintaining any records, data, and other documents that are required for the operation and administration of these plans.[3]

This chapter describes the results of our audit of PEBA's processes to secure pension and benefit plan **participants**' personal information for the 12-month period ending July 31, 2016.

See **Glossary** in **Section 7.0** for definition of items in **bold** font.[4]

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[1] Examples include medical reports, coroner reports, social insurance numbers, marriage certificates, birth certificates, death certificates, and banking information.

[2] *The Financial Administration Act, 1993*, s.64 (1).

[3] Ibid.

[4] The term is in bold font where it is used for the first time in this chapter.

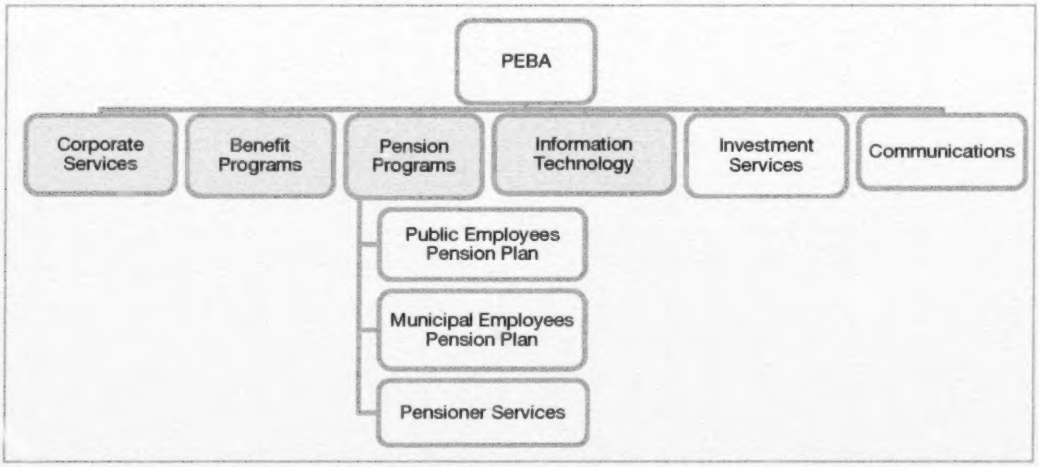
3.0 BACKGROUND

3.1 PEBA Administers Plans

PEBA uses approximately 120 full-time equivalent employees,[5] costing $16.8 million annually,[6] to operate and administer 34 pension and benefit plans (plans). These plans have about 90,000 participants[7] from approximately 1,000 employer groups.[8] See **Section 6.0** for a list of plans. Participants rely on PEBA to properly administer these plans.

As shown in **Figure 1**, PEBA is organized into six program areas, four of which regularly use or have ongoing access to personal information of plan participants (shaded boxes).

Figure 1—PEBA Program Areas at July 2016


PEBA
Corporate Services
Benefit Programs
Pension Programs
Information Technology
Investment Services
Communications
Public Employees Pension Plan
Municipal Employees Pension Plan
Pensioner Services

Source: Adapted from www.peba.gov.sk.ca/about/PEBA.html (23 August 2016).

To administer the plans, PEBA maintains personal information on each participant in each plan. PEBA stores personal information in physical (e.g., paper files) and electronic formats (e.g., about five computer systems and databases). It also shares certain personal information with third-party service providers it engages (e.g., actuaries used to estimate a plan's pension or benefit obligation). PEBA gives its employees and third-party service providers (users) access to certain participants' personal information to enable them to perform their duties. It varies access granted to the users based on the user's duties.

3.2 Responsibility to Secure Personal Information

PEBA must protect information entrusted to it. It must follow requirements set out in *The Freedom of Information and Protection of Privacy Act* (FOIP) and *The Health Information*

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[5] Information provided by PEBA management in July 2016.
[6] Public Employee Benefits Agency Revolving Fund Financial Statements for the year ended March 31, 2016.
[7] www.peba.gov.sk.ca/about/peba.html (17 August 2016).
[8] Information provided by PEBA management in July 2016.

Protection Act (HIPA). These laws govern how government institutions (like PEBA) may collect, use and disclose personal information.

FOIP and HIPA establish the rights and obligations respecting access to and protection of **personal information** and **personal health information** (collectively referred to as personal information in this chapter).

PEBA is responsible for securing personal information so that:

- Only those who need the information to perform their duties have access
- Information is not intentionally or inadvertently disclosed to others without consent (except for in prescribed situations; for example, to comply with a subpoena or warrant)
- Information is only used for its intended purpose to administer plans

In addition to the legal requirements to secure personal information, PEBA and its employees must follow:

- *An Overarching Personal Information Privacy Framework For Executive Government*[9] established by the Ministry of Justice. This framework sets the Government's privacy policy expectations and provides a basis for policy development for government agencies.
- *Information Technology Acceptable Usage Policy*[10] established by the Public Service Commission. This policy requires ministry employees to follow guidelines and policies on the usage of information systems, and to perform their jobs in accordance with all applicable laws, regulations, and policies. PEBA employees are employees of the Ministry of Finance.

3.3 Importance of Securing Personal Information

The Canadian Anti-Fraud Centre reported that 17,140 complainants reported losses due to **identity fraud** of $10.8 million between January and November 2015.[11] In addition, the Canadian Anti-Fraud Centre estimates that the total number of complaints, victims, and dollar losses presented in its report represents less than 5% of the total number of actual victims. It suggests losses and victims due to fraud could be much higher.[12]

Breaches of personal information, that Saskatchewan government agencies maintain, can and do occur. For instance, on May 9, 2016, and June 20, 2016, PEBA became aware of instances where it inadvertently mailed a plan participant's personal information to another participant. In another instance, between June 30, 2015 and August 6, 2015, Saskatchewan Government Insurance suffered a privacy breach through a licence issuer affecting 17 people.[13]

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[9] http://publications.gov.sk.ca/documents/9/39659-11-648-attachment.pdf (17 August 2016).
[10] www.cs.gov.sk.ca/1103 (17 August 2016).
[11] www.antifraudcentre-centreantifraude.ca/reports-rapports/2015/nov-eng.htm (17 August 2016).
[12] Ibid.
[13] Office of the Saskatchewan Information and Privacy Commissioner, *Investigation Report 131-2015 Saskatchewan Government Insurance*, (2015).

If PEBA does not have effective processes to secure participants' personal information, it increases the risk of loss, misuse, or unauthorized disclosure of personal information. This could lead to theft of a participant's identity for fraudulent purposes. This could also result in significant financial loss by the participant, negatively impact the public's trust in PEBA and the Government of Saskatchewan, and expose the Government to potential litigation.

4.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess whether PEBA had effective processes to secure pension and benefit plan participants' personal information for the 12-month period ending July 31, 2016.

We did not assess PEBA's processes to secure information shared with third-party service providers (e.g., actuaries), or whether information PEBA collects is accurate and complete.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate PEBA's processes, we used criteria based on related work, reviews of literature including reports of other auditors, and consultations with management. Management agreed with the criteria (see **Figure 2**). We interviewed PEBA management and employees responsible for securing participants' personal information and reviewed related documentation. We tested a sample of employees' access to electronic systems to assess appropriateness, and timely removal of terminated employees' access. We also observed key security monitoring activities.

Figure 2—Audit Criteria

1. **Approve a security framework for personal information**
    - 1.1 Identify personal information
    - 1.2 Evaluate risks to personal information
    - 1.3 Approve security policies and procedures that align with provincial government legislation and risks
2. **Implement security policies and procedures**
    - 2.1 Assign responsibility for security policies and procedures
    - 2.2 Promote security awareness
    - 2.3 Restrict access to personal information based on identified user need
3. **Monitor security of personal information**
    - 3.1 Monitor compliance with approved security policies and procedures
    - 3.2 Report results of monitoring activities to senior management
    - 3.3 Update security policies and procedures for lessons learned (e.g., changes in risk, in response to security breach)

We concluded that, for the 12-month period ended July 31, 2016, PEBA had effective processes to secure pension and benefit plan participants' personal information, except it needs to:

- **Make procedures that are used to secure personal information accessible to its staff**
- **Require periodic updates to its non-IT personal information security policies**

5.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out the criteria (expectations) in italics, and our key findings along with related recommendations.

5.1 Personal Information Identified

We expected PEBA to determine what personal information it needs to maintain in order to perform its duties, and only maintain information that it needs. We also expected PEBA to have a listing of personal information it maintains. The listing would include where the personal information is stored (e.g., physically in participant files, electronically on ***network drives****).*

The information PEBA needs for each plan does not change frequently. PEBA determines what information to maintain based on what information it needs to administer the plans and relevant legislation. For example, to administer the Disability Income Plan (DIP), PEBA needs personal health information to assess whether the reported participant disability qualifies under DIP provisions. In addition, it requires some of the participant's personal information for reporting taxation information under the *Income Tax Act*.

We found that PEBA only maintains personal information required to administer each plan.

In February 2016, PEBA compiled a listing of personal information it maintains.[14] It lists some information on the type of personal information (e.g., Social Insurance Number, banking information, address) for each of its program areas, the format in which the information is stored (physical or electronic), and user access privileges for the information. The listing did not contain the same detail for all information. For example, the listing includes the **network** location (e.g., network drive, pension administration system) for some personal information but not all. However, given PEBA staff demonstrated awareness of personal information PEBA maintains and its location, we found PEBA sufficiently identified personal information. PEBA may find that maintaining a listing with comparable level of detail beneficial in the event of staff turnover.

5.2 Risks to Personal Information Assessed

We expected PEBA to periodically assess risks to personal information it maintains. PEBA would document its risk assessment, have it approved by senior management and have documented risk mitigation plans for key risks it identified.

We found that PEBA effectively assessed risks to personal information it maintains.

Beginning in 2016, PEBA uses an Enterprise Risk Management (ERM) process to annually evaluate and document internal and external threats to achieving its objectives. This process includes identifying various risks, assessing likelihood and impact, and developing risk management strategies.

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[14] PEBA refers to this listing as *PEBA Consolidated Listing – Private and Sensitive Information*.

PEBA senior management approved the 2017-18 ERM plan on July 7, 2016. Some of the risks identified in the 2017-18 ERM plan relate to the security of personal information, for example:

- Risk of breach in IT security or issues with IT general controls could result in theft or damage of personal information
- Risk that PEBA may experience an event that would cause its stakeholders and public to view PEBA negatively (e.g., fraud, privacy breach)
- Risk that PEBA does not administer a plan in compliance with the rules, regulations, or fiduciary standards imposed on the plan in any jurisdiction in which the plan operates

In addition, the 2017-18 ERM plan included risk mitigation strategies such as training, documentation of processes, internal controls, security assessments, and increased standardization and automation.

5.3 Certain Security Procedures Need to be Readily Accessible

We expected management to have approved security policies and procedures. Those policies and procedures would include PEBA's definition of personal information. We also expected PEBA's policies and procedures and definition would align with provincial government legislation, central government guidance (e.g., Ministry of Justice), and would respond to PEBA's identified risks.

In April 2016, PEBA documented and approved PEBA-wide security policies and program area-specific security procedures. Management from each of its program areas met between December 2015 and April 2016 to propose security policies and procedures. PEBA's senior management approved its security policies on April 21, 2016. Each of its program areas informally approved program area-specific procedures.

PEBA's security policies and procedures require the safekeeping of personal information within PEBA. Although they do not specifically define personal information, management told us PEBA uses the definitions of personal information provided in FOIP and HIPA.

We found PEBA's policy refers to these Acts. Also, online privacy training provided to new government employees, and training provided by the Ministry of Justice to PEBA employees in February 2016, specifically refers to the FOIP and HIPA definitions of personal information.

In addition, we found PEBA's security policies and procedures aligned with:

- *The Freedom of Information and Protection of Privacy Act*
- *The Health Information Protection Act*
- Agreement for the Administration of the Public Employees Pension Plan
- Agreement for the Administration of the Municipal Employees Pension Plan

PEBA's security policies and procedures also responded to risks identified in PEBA's ERM plan.

PEBA's privacy policy requires its staff to verify a participant's identity using a minimum of two unique pieces of identification verbally or in writing prior to disclosing the participant's personal information. To augment the privacy policy, some of PEBA's program areas have documented procedures for verifying the identity of a participant.

PEBA has not included guidance for providing participants physical access to their personal file in its privacy policy. Rather, informal guidance exists in a 2010 email.

The 2010 email requires PEBA staff, when providing a participant with access to his/her file, to document in the related participant's file the specific information the participant accessed. Also, it suggests, when participants want to give another individual access to his/her file, PEBA staff ask the participant to provide PEBA with written permission for such access. While the 2010 email provides reasonable guidance, the email is not readily available or known to all staff.

Not making expected procedures readily accessible to staff increases the risk that employees are not aware of or will not follow the processes. Also, in the event of employee turnover, knowledge of informal processes could be lost and result in breakdowns in control, which could result in inappropriate disclosure of participant personal information.

1. **We recommend that the Public Employees Benefits Agency maintain its procedures used to secure personal information in a manner that is readily accessible to its staff.**

5.4 Security Awareness Promoted

We expected PEBA to assign responsibilities for implementing security policies and procedures to staff based on their job duties. We expected PEBA would communicate approved security policies and procedures to staff and provide regular security awareness training and reminders to staff.

PEBA assigns responsibility for security policies and procedures to staff based on their job duties. For example, one person is responsible for securing the file room where physical participant files are stored. PEBA also assigns responsibility for some security policies and procedures to all staff. For example, all PEBA staff who deal with personal information are responsible for implementing its clean desk policy, and verifying participant identity before disclosing any personal information.

Management communicates PEBA's approved security policies and procedures to staff through its **intranet**. We found staff were aware of the security policies and procedures and where to find them, with the exception of guidance to provide participants access to their personal file as described in **Section 5.3**. In addition, PEBA requires new staff to complete a mandatory privacy-training course and tracks their attendance. As previously noted, its staff periodically receive privacy training from the Ministry of Justice (e.g., in February 2016).

Each year, PEBA requires its entire staff to confirm, in writing, they are familiar with PEBA's IT security policies and procedures. All staff in our sample confirmed, in writing, their awareness of IT security policies and procedures.

In addition, PEBA's April 2016 privacy policy requires each employee to confirm annually, in writing, awareness of the other (non-IT) privacy policies. As of July 31, 2016, PEBA management had not yet implemented this process. Management told us it plans to require staff to annually confirm their awareness of IT and non-IT security policies and procedures at the same time. It expects to request the first confirmation of awareness of non-IT policies to occur in March or April 2017.

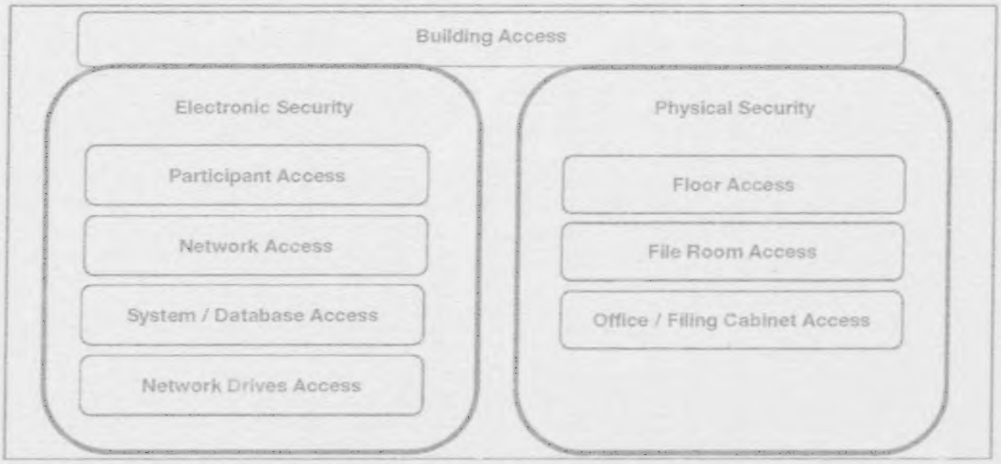
5.5 Access to Personal Information is Appropriately Restricted

We expected PEBA to assign user access based on job position. We expected physical access to the building, floors in the building, and file rooms to be appropriately restricted, and logical access to PEBA's IT network, systems and drives to be appropriately restricted.

PEBA restricts access to physical and electronic information based on user need. **Figure 3** illustrates the levels of security PEBA has in place to secure plan participants' personal information.

PEBA differs employees' access based on their job position, program area, and assigned duties. Semi-annually, PEBA reviews whether it has granted staff with appropriate access to electronic information. Beginning in April 2016, PEBA annually assesses access to physical information provided to each employee through its **access card system**.

Figure 3—PEBA's Levels of Security at July 2016


Building Access
Electronic Security
Participant Access
Network Access
System / Database Access
Network Drives Access
Physical Security
Floor Access
File Room Access
Office / Filing Cabinet Access

Source: Developed by Provincial Auditor of Saskatchewan.

PEBA's electronic security measures include:

- Requiring participants to use a unique identifier and password to access their information through the Public Employees Pension Plan (PEPP) Access website
- Using IT controls, such as firewalls, antivirus, and periodic risk and security assessments, to secure its IT network
- Requiring staff to use a unique identifier and password to restrict access to pension administration systems
- Limiting access of staff to folders on network drives, where personal information is stored, based on their assigned duties

PEBA's physical security measures include:

- Using an access card system after business hours and on weekends to restrict physical access to the building; building is only unlocked during weekday business hours
- Using separate access cards, assigned to PEBA staff, to restrict access to PEBA floors (floor access cards)
- Using access cards, assigned to a limited number of select employees, to restrict access to its file rooms and server rooms
- Requiring staff who need a participant file from its file room to request the file from an individual with access to the file room
- Requiring staff to lock their individual office and/or filing cabinet
- Limiting access to copies of office and filing cabinet keys to select employees; and storing these keys in lockboxes, in case an employee with access is not available

Through the following procedures, we found PEBA appropriately restricted access to personal information. We:

- Reviewed IT access restrictions for the PEPP Access website
- Identified and tested IT controls used to secure PEBA's IT network
- Reviewed IT user access listings for pension administration systems, folders within network drives, and floor access cards to assess appropriateness based on job position, program area, and job duties
- Reviewed results of PEBA's most recent floor access card assessment
- Reviewed results of PEBA's semi-annual IT user access assessment
- Tested whether user access was appropriately removed for a sample of terminated employees

5.6 Monitoring of Compliance with Policies and Procedures Ongoing

We expected PEBA to monitor compliance with approved security policies and procedures. It would communicate monitoring processes to responsible staff. We also expected PEBA to follow its monitoring processes.

PEBA has established processes to monitor compliance with its security policies and procedures. For example, it has documented procedures to: track which new employees complete the mandatory online privacy training; daily monitor compliance with its clean desk policy; annually assess the appropriateness of access granted through floor access cards; and assess the appropriateness of access restrictions to the network drive (annually), and pension administration system (semi-annually).

We found that staff is aware of the established monitoring processes. For monitoring activities we tested, PEBA staff followed its established monitoring processes. Through observation, we found staff carried out **clean-desk walkthroughs** as expected.

5.7 Periodic Reports Provided to Senior Management

We expected PEBA to provide senior management with periodic reports on security and to report non-compliance.

PEBA has established processes to report non-compliance with security policies and procedures to the appropriate level of management. PEBA expects staff to take corrective action and verbally report to his/her supervisor instances of non-compliance that did not lead to a privacy breach (e.g., not locking up a participant file at the end of the day detected through a clean-desk walkthrough). PEBA expects supervisors to remind employees, who did not comply, about the policy.

For non-compliance with security policies and procedures breaching privacy, it requires staff to complete a privacy-breach-response checklist. This checklist requires communicating the incident to senior management.

We found that PEBA staff reported non-compliance with security policies and procedures resulting in breach of privacy to senior management as required. For example, between August 1, 2015 and July 31, 2016, PEBA experienced two privacy breaches affecting two pension participants. PEBA became aware it had inadvertently mailed participant personal information to another participant on two separate occasions. For each breach, management completed the privacy-breach-response checklist on a timely basis. PEBA conducted an investigation to determine the underlying cause of the breach, and revised its procedures to mitigate the risk of the situation recurring.

PEBA identified security of personal information as one of its key risks (see **Section 5.2**). While PEBA reports instances of non-compliance, at July 2016, it did not regularly report to senior management on its management of the risk of security of personal information.

PEBA's ERM policy requires reporting to senior management on the status of risk items. At July 2016, management was developing an ERM reporting template for senior management's approval and had plans to commence such reporting in January or February 2017.

5.8 Process to Periodically Update Security Policies Needed

We expected PEBA to have a process to regularly review and update security policies and update procedures for changes in policies.

PEBA's process is to update its policies following a security breach so that it reduces the risk of the breach recurring. At July 2016, PEBA had a process to annually update its IT policies and procedures. However, it did not have an established process to periodically review and update non-IT security policies (e.g., clean desk policy).

Not periodically updating policies for changes in risk, information collected, where information is stored, and other administrative processes increases the risk PEBA may no longer appropriately secure personal information.

2. We recommend that the Public Employees Benefits Agency require periodic review and update of its non-IT security policies to keep personal information secure.

6.0 PENSION AND BENEFIT PLANS PEBA ADMINISTERED AT JULY 2016

Pension Plans:
- Anti-Tuberculosis League Superannuation Plan
- Capital Pension Plan
- Judges of the Provincial Court Superannuation Plan
- Liquor Board Superannuation Plan
- Members of the Legislative Assembly Benefits
- Municipal Employees' Pension Plan
- Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board
- Public Employees' Pension Plan
- Public Service Superannuation Plan
- Saskatchewan Pension Annuity Plan
- Saskatchewan Transportation Company Employees Superannuation Plan
- Power Corporation Superannuation Plan

Benefit Plans:
- Crown Investments Corporation of Saskatchewan Benefits Plan
- Extended Health Care Plan
- Extended Health Care Plan for Certain Other Employees
- Extended Health Care Plan for Certain Other Retired Employees
- Extended Health Care Plan for Retired Employees
- Government of Saskatchewan and Canadian Union of Public Employees Local No. 600-3 and Local 600-5 Benefit Plans' Surplus Fund
- Government of Saskatchewan and Saskatchewan Government and General Employees' Union Benefit Plans' Surplus Fund
- Government of Saskatchewan Scheduled Aircraft Plan
- Government of Saskatchewan Unscheduled Aircraft Plan
- Public Employees Deferred Salary Leave Plan
- Public Employees Dental Plan
- Public Employees Disability Income Plan
- Public Employees Group Life Insurance Plan
- Saskatchewan Government Insurance Service Recognition Plan
- Saskatchewan Water Corporation Retirement Allowance Plan
- SaskEnergy Retiring Allowance Plan
- SaskPower Designated Employee Benefit Plan
- SaskPower Millennium Plan
- SaskPower Severance Pay Credits Plan
- SaskPower Supplementary Superannuation Plan
- SaskTel Retirement Gratuity Plan
- Water Security Agency of Saskatchewan Retirement Allowance Plan

Source: www.peba.gov.sk.ca/about/peba.html (14 June 2016).

7.0 GLOSSARY

Access Card System – A system used to provide access to secure areas by passing a card containing encoded data over an electronic device.[15]

Clean-Desk Walkthroughs – An employee checks the work area at the end of each day to determine whether staff have locked up all personal information.

Identity Fraud – The actual deceptive use of the identity information of another person (living or dead) in connection with various frauds (e.g., impersonating another person, and misusing debit card or credit card data).[16]

Intranet – A communications network within an organization employing the same technology as the internet.

Network – A group of computers that communicate with each other.

Network Drive – An electronic storage space hosted on a shared server where staff can store electronic records.[17]

Participants – Pension and benefit plan participants include all active, inactive and deferred members, pensioners, surviving spouses, and dependents.

Personal Health Information – Information about a participant with respect to their physical or mental health, health services provided to them, or testing or examination of a body part or bodily substance of the individual.[18]

Personal Information – Information about a participant (e.g., information about family or marital status, disability, an identifying number, address, telephone number, personal health information) recorded in physical or electronic formats.[19]

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[15] Adapted from www.yourdictionary.com/access-card (09 September 2016).

[16] www.rcmp-grc.gc.ca/scams-fraudes/id-theft-vol-eng.htm (09 September 2016).

[17] www.utas.edu.au/__data/assets/pdf_file/0018/132462/RMU-Information-Sheet-11-Storing-Records-in-Shared-Drives.pdf (09 September 2016).

[18] *The Health Information Protection Act*, s.2.

[19] *The Freedom of Information and Protection of Privacy Act*, s.24.

Chapter 27
Health—Special Needs Equipment for Persons with Disabilities

1.0 MAIN POINTS

As part of its responsibilities under *The Health Administration Act*, the Ministry of Health (Ministry) may provide programs for persons with residual physical disabilities due to accident, congenital defect, injury, diseases or other illness. To help fulfil this responsibility, the Ministry established the Saskatchewan Aids to Independent Living (SAIL) program.

The SAIL program is intended to provide:

- Benefits that assist persons with physical disabilities achieve a more active and independent lifestyle and assist people in managing certain chronic health conditions
- A basic level of coverage for disability-related equipment, devices, products and supplies to achieve the best possible care, experience and health for beneficiaries[1]

The SAIL program includes 14 sub-programs. The Special Needs Equipment Program (Equipment Program) is one of SAIL's sub-programs. The intent of the Equipment Program is to provide the free loan and repair of special needs equipment to eligible clients throughout the province.[2]

For the 12-month period ended August 31, 2016, the Ministry had, other than the following, effective processes to provide special needs equipment to persons with disabilities. The Ministry needs to:

- Implement further strategies and action plans so clients receive special needs equipment within an acceptable timeframe and equipment that is no longer being utilized is recovered. This would help the Ministry actively manage wait lists for special needs equipment.
- Implement a process to track the quality and timeliness of repairs and complete appropriate preventative maintenance on special needs equipment. This would help make sure the equipment is safe for use.
- Set out how it plans to measure the success of the Equipment Program. This would allow the Ministry to assess how well the Equipment Program contributes to the achievement of SAIL's objectives.
- Set clear expectations for when its service provider should escalate complaints. This would help the Ministry identify issues and allow the Ministry to make informed decisions about improving service delivery to its clients.

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[1] Ministry of Health, *Saskatchewan Aids to Independent Living (SAIL) General Policies*, (2015).
[2] Ibid.

2.0 INTRODUCTION

This chapter reports the results of our audit of the Ministry's processes, for the period of September 1, 2015 to August 31, 2016, to provide special needs equipment to persons with disabilities.

2.1 Using Special Needs Equipment to Assist Persons with Disabilities

The primary objective of the Equipment Program is to loan and repair special needs equipment (e.g., wheelchairs, walkers, cushions, hospital beds) at no cost to eligible clients (e.g., persons with physical disabilities) throughout the province.[3] The total cost to operate the Equipment Program in 2015-16 was $6.6 million.[4]

Approximately one in seven Saskatchewan residents aged 15 years or older have a disability that limits their daily activities. In 2012, the rate of prevalence of disabilities in Saskatchewan was 15.0%, which falls slightly above the national average of 13.7%.[5] Also, in Saskatchewan, just over 57% of persons with disabilities had mild or moderate disabilities, and the remaining 43% had severe or very severe disabilities in 2012.[6]

People experiencing disability face significant difficulties. They have lower levels of participation in education, training, and employment. They typically have more limited access to goods, services, and facilities; greater experiences of discrimination; poorer health; and higher rates of poverty and abuse.[7]

Specialized aids and devices (i.e., special needs equipment) often can assist persons with disabilities to perform their routine activities and increase their social participation; however, access to such equipment can be a problem. According to the *Canadian Survey on Disability* prepared by Statistics Canada in 2015, more than 80% of persons with disabilities use at least one aid or assistive device, and 27% of persons with disabilities indicated they needed at least one aid they did not have.[8]

Lack of reasonable access to special needs equipment can have a significant negative impact on the overall quality of life of persons with disabilities.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of the Ministry of Health's processes, for the period of September 1, 2015 to August 31, 2016, to provide special needs equipment to persons with disabilities.

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[3] Ministry of Health, *Saskatchewan Aids to Independent Living (SAIL) General Policies*, (2015).
[4] Ministry of Health, *Special Needs Equipment Program, Year End Report*, (2015).
[5] www.statcan.gc.ca/pub/89-654-x/89-654-x2015001-eng.htm (5 July 2016).
[6] Ibid.
[7] Government of Saskatchewan, *The Saskatchewan Disability Strategy*, (2015).
[8] www.statcan.gc.ca/pub/89-654-x/89-654-x2015001-eng.htm (5 July 2016).

Special needs equipment includes wheelchairs, cushions, walkers, canes/crutches, pediatric[9] mobility aids, bathroom accessories, transfers assists, hospital beds, alternating pressure units, and lymphedema[10] control units.

Our audit did not question or assess medical decisions related to the requisition of special needs equipment.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. The Ministry's management agreed with the criteria (see **Figure 1**).

We examined the Ministry's policies and procedures related to the Equipment Program, related agreements, eligibility criteria, quarterly and annual reports, operational plans, and other relevant documents. In addition, we sampled files for clients receiving special needs equipment through the Equipment Program, along with a sample of equipment repairs and maintenance.

Because the Ministry has engaged the Saskatchewan Abilities Council (the Council) to directly deliver the Equipment Program, we also interviewed Ministry and Council staff responsible for program delivery.

Figure 1—Audit Criteria

1. **Make special needs equipment accessible**
    - 1.1 Understand demand for special needs equipment
    - 1.2 Develop program delivery approach to meet demand
    - 1.3 Establish adequate agreements for service delivery (e.g., Saskatchewan Abilities Council)
2. **Provide special needs equipment to eligible clients**
    - 2.1 Provide equipment to eligible clients in a timely manner
    - 2.2 Perform equipment repairs and maintenance for clients in a timely manner
    - 2.3 Gather equipment no longer required and re-deploy
3. **Evaluate service delivery**
    - 3.1 Monitor client satisfaction with service delivery (e.g., satisfaction surveys, tracking and responding to appeals/complaints)
    - 3.2 Monitor service delivery
    - 3.3 Address service quality issues

We concluded that, for the period of September 1, 2015 to August 31, 2016, the Ministry of Health had, other than the following, effective process to provide special needs equipment to persons with disabilities. For its Special Needs Equipment Program, the Ministry of Health needs to:

- **Implement further strategies and action plans so that clients receive special needs equipment within an acceptable timeframe and equipment that is no longer being utilized is recovered**

- **Implement a process to track the quality and timeliness of repairs and complete appropriate preventative maintenance on special needs equipment**

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[9] The branch of medicine concerned with the development, care, and diseases of babies and children.

[10] The accumulation of lymph in soft tissue with accompanying swelling, often of the extremities: sometimes caused by inflammation, obstruction, or removal of lymph channels.

- **Set out how it plans to measure the success of the Special Needs Equipment Program**

- **Set clear expectations for when its service provider should escalate complaints**

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we describe our key findings and recommendations related to the audit criteria in **Figure 1**.

4.1 Strategies and Action Plans for Providing Equipment Timely Needed

The Ministry's Equipment Program is well established and has been operating since 1976. Health care professionals who work with disabled persons are familiar with the Program.

Since June 1987, the Ministry has engaged, by agreement, the Council to directly deliver the Equipment Program. The current three-year agreement sets out the roles and responsibilities of each party, the reporting requirements, and the services the Council is to provide.

Under the agreement, the Council is responsible for the acquisition, distribution, and maintenance and repair of special needs equipment under the Equipment Program. The Ministry determines which clients are eligible for the Equipment Program, and the amount of funding available. It then provides the Council with funding to deliver the Equipment Program. This includes funding to buy new equipment and to maintain and repair existing equipment. At March 31, 2016, the Council owned about 109,000 pieces of equipment (both on loan and in stock).

4.1.1 Equipment Provided to Eligible Clients

The Ministry has decided that to receive services under the SAIL program, clients must meet five general eligibility criteria:

- Be a resident of Saskatchewan

- Possess a valid Saskatchewan Health Services number

- Be referred for service by an authorized health care professional

- Unless pre-authorized by the Ministry, obtain the service in Saskatchewan

- Not be eligible to receive the service from any other government agency such as Saskatchewan Government Insurance, Workers' Compensation Board, Health Canada, or Department of Veterans Affairs

As noted in **Section 1.0**, the Equipment Program is a SAIL sub-program. In addition to the general SAIL program eligibility, under the Equipment Program, eligible clients must have health care professionals with appropriate authority ask the Council to supply the equipment to the client (requisition).[11] Health care professionals with such authority can be a specialist physician, occupational therapist, physical therapist, or home-care nurse. Authorized health care professionals can make requests (using a standard form) to one of the Council's depots.

For the 30 client files we tested, 100% of the clients were eligible to receive special needs equipment.

4.1.2 Demand for Equipment Generally Understood

The Ministry primarily relies on the Council to understand demand for special needs equipment—that is, to determine what types of equipment are needed, how much of each type is needed, by who, and where. It augments information about demand for equipment it receives from the Council with the following:

- Results of periodic equipment reviews it carries out jointly with the Council
- Appeals where clients are denied requests for equipment—it administers appeals jointly with the Council
- Results of its periodic reviews of the Equipment Program and the Council's delivery of the Equipment Program

The Council keeps its special needs equipment at five depots located in Saskatoon, Regina, Swift Current, Yorkton, and Prince Albert. It uses an IT system to keep track of its equipment, to whom it has loaned it, and when.

To determine future demand for equipment, the Council analyzes province-wide trends of past use of equipment, the length of time it takes it to provide eligible clients with requested equipment, and its awareness of requests for different types of equipment.

As shown in **Figure 2**, in 2015-16 through the Equipment Program, the Council issued 35,682 pieces of special needs equipment. Also shown in **Figure 2**, walkers, transfer tub seats, cushions and various types of wheelchairs account for almost 75% of the equipment issued.

Figure 2—Breakdown of Special Needs Equipment Issued by the Council (2015-16)

Type of Equipment	Number Issued	Percentage of Total Issued
Walkers	7,726	21.7
Transfer Tub Seats	5,789	16.2
Cushions	6,179	17.3
Manual Wheelchairs	6,072	17.0
Stationary Commodes	2,976	8.3

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[11] Ministry of Health, *Saskatchewan Aids to Independent Living (SAIL) General Policies*, (2015).

Type of Equipment	Number Issued	Percentage of Total Issued
Other Equipment	3,086	8.7
Sask-a-Poles^	2,616	7.3
Hospital Beds	650	1.8
Manual Tilt Wheelchairs	287	0.8
Power Wheelchairs	163	0.5
Manual Ultralight Wheelchairs	77	0.2
Other Wheelchairs	61	0.2
Total	**35,682**	**100%**

Source: Saskatchewan Abilities Council, *Special Needs Equipment Program Year End Report*.
^ A sask-a-pole is an accessibility and transfer aid designed to help provide safe and easy access to chairs, beds, and bathroom facilities

The Council does not analyze demand for equipment based on location because it can readily transfer equipment between its depots.

The Council uses its quarterly and annual reports, and its annual operating plan and budget to advise the Ministry of the provincial demand for equipment, and its recommended action.

The Council's quarterly reports set out how long it takes the Council to fill approved orders for each type of equipment (wait time). As shown in **Figure 3**, as of June 30, 2016, for almost 70 items, it took the Council more than four weeks to provide clients with the requested special needs equipment; almost three-quarters of those 70 items were manual wheelchairs.

Figure 3—Wait Times for Special Needs Equipment (as of June 30, 2016)

Type of Equipment	Pieces of equipment with wait time less than 2 weeks	Pieces of equipment with wait time of 2-4 weeks	Pieces of equipment with wait time greater than 4 weeks
Walkers/Commodes/Cushions/Transfer Benches	99	27	8
Hospital Beds	22	8	12
Manual Wheelchairs	69	74	49
Total	**190**	**109**	**69**

Source: Saskatchewan Abilities Council, *Special Needs Equipment Program First Quarter Report – April 1, 2016 to June 30, 2016*.

For specialized wheelchairs (e.g., manual tilt-in-space and power wheelchairs), the Council had, as of June 30, 2016:

- Seventy-five specialized wheelchairs with wait time less than two months
- Thirty-three specialized wheelchairs with wait time of two to four months
- Two specialized wheelchairs with wait time greater than four months

Management indicated that wait time for equipment is driven by both volume and funding constraints. The Ministry's agreement with the Council does not set out what the Ministry regards as an acceptable length of time an eligible client should wait to receive requested equipment. See **Section 4.1.3** for issues relating to untimely access to special needs equipment.

In August of each year, the Council submits its operating plan and budget to the Ministry. The budget is based on the funding the Ministry has agreed to provide. The plan sets out how the Council plans to spend the funding (e.g., administration, equipment maintenance and repairs, equipment purchases). It provides a breakdown of the amount of its planned equipment purchases by each type of equipment (e.g., power wheelchairs, manual wheelchairs, hospital beds). In 2015-16, the Council spent approximately $2.7 million buying new equipment.

The Council uses historical data to forecast demand each year. To be responsive to client's needs to the extent its budget allows, each month, the Council adjusts the types of equipment it plans to purchase. For example, if requests for manual wheelchairs are greater than its supply of them, it increases planned purchases of manual wheelchairs and reduces planned purchases of tub seats.

Consistent with the agreement between the Ministry and the Council, they jointly conduct periodic reviews of equipment. For example, in 2014, the Saskatchewan Association of Safe Workplaces in Health identified safety concerns about manual patient lifts. As a result, in 2015-16, the Ministry reviewed the manual lifts and recommended the purchase of electronic lifts. The Ministry provided the Council funding for 10 electronic lifts and slings. The Council provided them to clients on a trial basis. The Council and Ministry plan to ask these clients, their caregivers and/or therapists to evaluate the new equipment in the near future. The Ministry also plans to conduct a review of the toileting and bathing equipment in 2016-17.

Before the Ministry renews its agreement with the Council, the Ministry reviews the Equipment Program delivery to identify issues with the Council's delivery (if any), and revises terms of the agreement accordingly.

Periodically, it conducts a broader review of the Equipment Program. For example, in 2016, the Ministry reviewed the Equipment Program. The Equipment Program review team consisted of Ministry of Health staff and a regional home-care consultant. The scope of the review was to assess if the Equipment Program was relevant, effective and efficient.

The review also considered whether the Equipment Program delivery approach meets demand. At August 2016, the review was not complete; the report, while drafted, was not finalized or reviewed by senior management. The Ministry indicated it expected to complete the review and have the Ministry's senior management review and approve the report in the fall of 2016.

Consistent with the results of our test of files noted in **Section 4.1.3**, preliminary review results noted that timely access of clients to appropriate equipment was a challenge.

4.1.3 Provision of Special Needs Equipment Not Always Timely

The Ministry, along with the Council, has set targets for providing equipment to eligible clients within a reasonable timeframe. For example, it aims to provide power wheelchairs within two to three months, and to provide all other equipment (e.g., standard wheelchairs, cushions) within two weeks after its receipt of the request for the equipment (order or requisition).

For the 30 client files we tested, for 27% of them, clients did not receive their equipment within the Ministry's targets. For example, for those files, we found the Council provided:

- 67% of power wheelchairs within four to five months after it received the order—two months longer than its two to three month target
- 50% of sask-a-poles one month after it received the order—about two weeks longer than its two-week target

As previously noted, the Council tracks wait times and recognizes it encounters delays in supplying certain types of equipment. When we asked the Council for reasons for the delays, it indicated it does not receive sufficient funding to buy enough of certain types of equipment (e.g., power wheelchairs) to meet demand. It noted the Ministry was aware of the delays and concerns about timely access to equipment.

During 2015-16, the Ministry implemented some strategies and actions plans so clients received equipment within an acceptable timeframe. For example, the Ministry supplied the Council with additional hospital beds, manual wheelchairs, and power wheelchairs. The Council indicated that these additional items did not eliminate the wait lists, but allowed the Council to keep the wait lists at a more manageable level. The Ministry and the Council need to implement further strategies and action plans so that clients receive special needs equipment within an acceptable timeframe. For example, they could consider more bulk purchases of equipment or offer grants directly to its clients for purchasing certain types of equipment.

Not having strategies and action plans to actively manage wait lists increases the risk of clients waiting longer than necessary for required equipment and adversely impacting their quality of life and their day-to-day functions (including their ability to live independently). This in turn may place additional pressures on the health care system.

1. **We recommend that the Ministry of Health implement further strategies and action plans so that clients receive special needs equipment within an acceptable timeframe.**

4.1.4 Process to Track Unutilized Equipment on Loan Needed

When the Council first loans a piece of equipment to an eligible client, it provides the client with a handout describing the Equipment Program, along with procedures for returning the equipment when it is no longer required. Each piece of equipment also has an identification sticker directing return to the Council. The Council had almost 30,000 pieces of equipment returned in 2015-16.

The Council does not know when equipment it has loaned to an eligible client is no longer needed as a result of a change in that client's status, and should be returned.

When a client no longer requires the special needs equipment, the Council expects the client to return the equipment to one of its five depots as soon as practical. For example, a client may require a piece of equipment after being released from a hospital for a short term (e.g., six months). The Council does not have information to know when a client no longer needs the equipment; and as result, it does not contact clients to ask them to return equipment. Rather it waits for the client to return the equipment.

The Ministry is aware that the Council does not know when clients no longer need equipment on loan and is considering possible solutions (e.g., increase communication with health care professionals who requested the equipment).

Waiting on clients to return equipment on loan they no longer require reduces the availability of this equipment to other clients in need, thereby increasing wait times for them. It also increases the risk that the Equipment Program may buy additional equipment when it has suitable unused equipment on loan.

2. **We recommend that the Ministry of Health work with its service provider to identify special needs equipment on loan that is no longer being utilized, and to recover this equipment within a reasonable timeframe.**

4.2 Tracking of Equipment Repairs and Completion of Preventative Maintenance Needed

The Council is responsible for repairing and maintaining the special needs equipment as determined by the Ministry.

4.2.1 Better Tracking of Equipment Repairs Needed

The Council does not track the results of all repairs or collect sufficient information to enable it to monitor the timeliness of repairs of equipment on loan.

The Council employs qualified repair technicians to perform repairs and maintenance. It expects them to keep equipment that it possesses in good repair (safe and in good working condition) and to make repairs of equipment on loan as requested.

Technicians clean and refurbish returned equipment so the Council can redeploy it to another client. For equipment that technicians determine as having no further service potential, the Council either sells as salvage or donates. It donates its equipment to charitable organizations (e.g., Food for the Hungry Canada).

For repairs related to refurbishing equipment for redeployment to another client, the Council does not document the work performed to provide a record that equipment was in proper working condition prior to redeployment.

Not documenting results of repairs increases the risk of equipment not working correctly or safely and puts a client at risk of harm or injury. It also reduces the ability of the Council to monitor the quality of work of its technicians or show the Ministry that it has appropriately maintained the equipment.

Clients or health care professionals can ask the Council to repair equipment on loan, and make that request using a standard repair form. In those cases, the repair technicians note the work done on the equipment on a repair form.

For 30 repairs of equipment on loan we examined, none of the files indicated when the equipment was brought in for the repairs. While the repair technicians note the date they completed the repair, we could not determine whether repairs were done on a timely basis without the date of receipt of the equipment.

Not tracking timeliness of repairs increases the risk that clients may go long periods of time without the required equipment. It also reduces the ability of the Council to monitor the timeliness of the work of its technicians.

3. **We recommend that the Ministry of Health work with its service provider to track the quality and timeliness of repairs of special needs equipment.**

4.2.2 Preventative Maintenance Strategy Required

The Ministry, through its agreement with the Council, makes the Council specifically responsible for maintaining all lifting equipment consistent with the manufacturers' recommendations. For example, preventative maintenance is required every two years for bath lifts, and bi-monthly for patient lifts. At August 2016, the Council had about 1,300 pieces of lifting equipment on loan to clients.

The Council maintains a database of the required service dates for each piece of lift equipment. When maintenance becomes due, the system generates a letter to send to the client if the equipment is on loan. The letter informs the client that preventative maintenance is due on the lift they have borrowed from the Council and that the Council will provide the client with a replacement piece of equipment. The letter asks the client to contact the nearest depot to schedule the delivery of the replacement equipment.

If the client does not respond to the first letter, the Council sends a second letter a month later. It does not follow up further with the client, if the client has not responded to the second letter.

For the 10 items of lift equipment we tested that required preventative maintenance, we found that for 70%, preventative maintenance was not done on the equipment for over four years and for one piece of equipment, preventative maintenance was last done over nine years ago. The Ministry was not aware the Council was not doing regular preventative maintenance on all lifts.

Not following up with clients further or requiring the client to promptly return the lift equipment results in the Council potentially putting clients at risk of the equipment malfunctioning or being unsafe.

The agreement also sets out other types of equipment (e.g., power wheelchairs, electric beds) that the Ministry expects the Council to maintain (i.e., through repairs and/or refurbishment). While the Ministry has not set specific preventative maintenance expectations for these other types of equipment, like lifts, the manufacturers provided suggested types and timing of preventative maintenance. For example, some manuals suggest annual preventative maintenance on electric beds.[12] Preventative maintenance checks for such things as cracks in the bed frames and side rails, pinched or worn cables, and tight electrical connections.

We found that the Ministry does not require the Council to do regular preventative maintenance on these other types of equipment. As described in **Section 4.2.1**, the Council performs repairs on this equipment, however better tracking of the quality and timeliness of repairs is needed (see **Recommendation 3**).

Failure to perform proper preventative maintenance on equipment on loan increases the risk of injury to clients.

Clients do not sign any documents (e.g., agreements, waivers) upon receipt of the equipment. Although the Council owns the equipment, the Ministry does not have a process to ensure preventative maintenance is completed. This may expose the Ministry to liability risks if equipment has not been sufficiently maintained and causes injuries to clients.

4. **We recommend that the Ministry of Health assist its service provider in developing a process to complete appropriate preventative maintenance on special needs equipment on loan.**

4.3 Measuring Success of Equipment Program Needed

The Ministry, through its Equipment Program agreement with the Council, expects the Council to monitor its delivery of the Equipment Program and to share the results of its monitoring with the Ministry.

The Equipment Program is one of many programs and services that the Council delivers. Others include Camp Easter Seal, recycling, daily living and rehabilitation services.

To help monitor client satisfaction with the delivery of its various services, the Council has a client satisfaction survey completed every two years. A total of 644 clients were interviewed and completed questionnaires (104 survey respondents were clients of the

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[12] www.frankshospitalworkshop.com/equipment/documents/hospital_beds/service_manuals/Stryker%20FL28EX%20Hospital%20Bed%20-%20Service%20manual.pdf (03 October 2016).

Equipment Program). Within this survey, it asks for feedback on various services[13] of the Council. The last survey in 2015 showed:

- 87% of clients were very satisfied with the wait time to receive services
- 88% of clients believe the Council offers effective programs and services

The Council shared its survey results with the Ministry.

On a quarterly and annual basis, the Ministry receives reports from the Council as required under their Equipment Program agreement. The reports include a summary of the Council's operations (e.g., wait lists for each type of equipment) of the Equipment Program, activities of the Council, training sessions attended (if any), and the financial statements.

These reports, along with its involvement on periodic equipment reviews and appeals, provide the Ministry with sufficient information to determine whether the Council is providing equipment to eligible clients; however, it receives limited information about the condition of the equipment (e.g., whether it is repaired and maintained as expected). See **Recommendations 3** and **4**.

We note that the scope of the 2016 Equipment Program review did not include considering whether the Program contributed to the SAIL program objectives. As noted in **Section 4.1.2**, the 2016 Equipment Program review focused only on how to make the Equipment Program more relevant, efficient, and effective.

As previously noted, the Equipment Program is a sub-program of the SAIL program. While the specific objective of the Equipment Program is only to loan and repair special needs equipment to eligible clients, the SAIL program has broader objectives.

The Ministry should know whether the Equipment Program contributes to the achievement of SAIL's objectives. At August 2016, it had not yet determined how it planned to measure the Equipment Program's success. For example, it had not specifically determined how or whether eligible clients of the Equipment Program are achieving a more active and independent lifestyle through their use of special needs equipment or whether its level of provision of special needs equipment achieves the best possible care, experience, and health for clients of the Equipment Program.

Without determining how it plans to measure the Equipment Program's success, the Ministry cannot know whether the Equipment Program is meeting SAIL's objectives.

5. **We recommend that the Ministry of Health set out how it plans to measure the success of the Special Needs Equipment Program.**

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[13] The Council provides four different types of services—rehabilitation, vocational, recreational, and special needs transportation. The Special Needs Equipment Program falls under rehabilitation services.

4.4 Escalation Process for Complaints Needed

The Ministry monitors complaints, concerns, and inquiries for the SAIL program that it receives.[14] In 2015-16, the Ministry logged 11 complaints, concerns, and inquiries related to the Equipment Program.

The Council does not have a formal process to monitor complaints. We found that the Council does not track complaints. Also, the Ministry has not set expectations on the types of complaints (e.g., equipment not in good working condition, wait times for equipment) the Council is to escalate to the Ministry.

In practice, when the Council receives a complaint, it either resolves the problem on its own or escalates it to the Ministry. The Council does not know how many complaints it receives in a year.

Setting expectations for escalating complaints for the Equipment Program would help the Ministry identify issues in the Equipment Program and gain timely insight about the Council's delivery of the Program. This would allow the Ministry to make informed decisions about improving service delivery to its clients.

6. **We recommend that the Ministry of Health set clear expectations for when its service provider should escalate complaints to the Ministry related to the Special Needs Equipment Program.**

If the Council or an authorized health care professional denies a client's initial request for a piece of equipment, the client can appeal the decision. Appeals most often arise when clients request types of equipment not available at that time in the Equipment Program. The Council and Ministry handle appeals jointly. They work together to resolve complaints, concerns, inquiries, and appeals in a timely manner.

For example, an individual may appeal when requesting a non-standard wheelchair that better accommodates the size of a client. The Ministry and the Council discuss the appeal and decide on the course of action (i.e., to approve or reject the appeal).

We found 80% of appeals were resolved within one week.

5.0 SELECTED REFERENCES

Auditor General of British Columbia. (2014). *Disability Assistance: An Audit of Program Access, Integrity, and Results*. Victoria: Author.

Auditor General of Ontario. (2009). *Assistance Devices Program.* Toronto: Author.

Provincial Auditor of Saskatchewan. (2012). *2012 Report – Volume 1, Chapter 22, Supervision of CBOs Providing Services to Intellectually Disabled People*. Regina: Author.

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[14] The Ministry received a total of 95 complaints, concerns, and inquiries for the SAIL program from April to September 2016.

Chapter 28
Justice—Planning for Inmate Capacity of Adult Correctional Facilities

1.0 MAIN POINTS

Over the past 10 years, Saskatchewan's adult inmate population has grown by 51%, mainly due to a 104% increase in the number of inmates on remand. This significant growth creates challenges in planning facility capacity for housing and rehabilitating adult inmates. At July 2016, the Ministry of Justice (Justice) had 12 adult correctional facilities.

Inmate facility capacity planning must consider space that inmates require for both living and rehabilitation programming at the present and in the future. Inmate facility capacity planning is complex and involves a large number of parties. Poor facility capacity planning can lead to using public funds inefficiently or operating over the capacity of the correctional facilities. Operating over the capacity of the facilities may result in unsafe or inhumane conditions for inmates or correctional officers, or ineffective rehabilitation of inmates.

This chapter reports the results of our audit of Justice's processes to plan for inmate capacity of provincial adult correctional facilities. For the 12-month period ended July 15, 2016, Justice had, other than the following, effective processes. Justice needs to:

- Establish written guidance for use in facility capacity planning. Written guidance supports a co-ordinated approach that makes expectations clear and sustains the planning process.

- Define how it will determine the inmate capacity of its existing adult correctional facilities to guide facility capacity planning decisions. Clear processes to determine existing inmate capacity of correctional facilities would facilitate effective decisions about utilization, modification, or construction of facilities.

- Promptly forecast demand for rehabilitation program space, and complete its analysis of alternatives to meet needs for adult correctional facility inmate living and program space. Saskatchewan's growing adult inmate population increases the need for Justice to forecast demand and complete its analysis of alternatives as soon as possible.

  To determine the need for rehabilitation program space, Justice requires forecasts of demand for rehabilitation programs, including the nature and extent of these programs. Analysis of alternatives, including those that do not involve major construction or renovation of facilities, provide a foundation for developing long-term strategies to plan for inmate capacity in its facilities.

- Regularly update written contingency plans to meet unexpected changes in demand for inmate living and program space. Written plans would help ensure Justice provides inmates with adequate housing and required rehabilitation programming.

- Develop a written long-term plan to manage inmate capacity in its adult correctional facilities. Such a plan would help Justice have the right space to provide adequate housing and rehabilitation programming to adult inmates at the right time. In addition, it would reduce the risk of incurring unnecessary operational or construction costs.

2.0 INTRODUCTION

Justice is responsible for promoting safe and secure communities and providing supervision and rehabilitation services for adult **offenders** (including adult inmates – see **Section 2.1** for definition of inmates).[1] Under *The Correctional Services Act, 2012* (Act),[2] it is responsible for:

- Establishing, administrating, maintaining, and operating correctional facilities
- Co-ordinating, developing, implementing, and promoting policies and programs with respect to correctional facilities and correctional services
- Providing correctional services and programs including the assessment, supervision, treatment, training, control, custody, rehabilitation, or reintegration of inmates[3]

Under the Act, the guiding principles Justice must apply in carrying out its responsibilities include:

- The safety of the public be enhanced by addressing the needs and circumstances of offenders through programs and services designed to promote the rehabilitation and reintegration of offenders into the community
- Offenders be subject to the least restrictive measures consistent with the protection of the public, staff members, and other offenders
- Offenders be entitled to fair treatment
- Correctional policies, practices, programs, and services be respectful of gender, ethnic, cultural, and linguistic differences and be responsive to the particular needs of women, as well as the needs of other groups of offenders with special requirements[4]

See **Glossary** in **Section 6.0** for definition of terms in **bold** font.[5]

2.1 Defining Adult Inmates

Adult[6] inmates are either:

- Sentenced to imprisonment in an adult correctional facility for a term of less than two years[7] (i.e., sentenced inmates).

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[1] Ministry of Justice, *Annual Report for 2015-16*, p. 3.
[2] *The Correctional Services Act, 2012* has regulations—*The Correctional Services Regulations, 2013.*
[3] *The Correctional Services Act, 2012*, s. 4(2).
[4] *The Correctional Services Act, 2012*, s. 3.
[5] The term is in bold font where it is used for the first time in this chapter.
[6] Adults are individuals of 18 years of age or older.
[7] *Criminal Code*, s. 743.1 (3).

- Lawfully detained (e.g., arrested) or confined and are awaiting trial or sentencing by the courts (i.e., inmates on **remand**).[8] The length of time in which an inmate is on remand can vary significantly (from a few days to several years) and is not easily predictable. The length of time on remand depends upon timing of court appearances, trials, and decisions of the judicial system (e.g., courts).

2.2 Types of Adult Correctional Facilities

Saskatchewan uses its adult correctional facilities to house inmates and provide them with **rehabilitation programming** (e.g., effective decision making, drug and alcohol treatment) aimed at reducing reoffending and preparing inmates to reintegrate back into their communities.[9]

Justice has two types of correctional facilities for adult inmates[10]—**secure-custody facilities** and **reduced-custody facilities**. Its 12 facilities are located throughout the province.

Secure-custody facilities are designed to restrict and monitor the movements and activities of inmates, while supporting the delivery of rehabilitation programs. Reduced-custody facilities accommodate sentenced inmates who are low risk and can leave the facilities to attend programming in the community (e.g., education, employment) designed to help the inmates reintegrate into society.

At July 15, 2016, as shown in **Section 5.0**, Justice had five secure-custody facilities (three for men, two for women) comprised of four provincial correctional centres and one remand unit; and seven reduced-custody facilities (six for men, one for women) comprised of one community correctional centre, five training residences, and one camp.[11]

2.3 Spending on Adult Correctional Services

Each year, Justice spends about $100 million on adult inmates in its correctional facilities.[12] In 2016-17, Justice budgeted $6.6 million (2015-16 actual: $4.5 million)[13] for capital projects for adult correctional facilities. This does not include the Saskatchewan Hospital North Battleford – Integrated Correctional Facility that Justice will share with the Ministry of Health. This integrated facility will include 96 secure-custody beds for offenders living with mental health issues.

Correctional facilities are expensive to build and operate. In 2014-15, Justice paid, on average, $166 per day per inmate (e.g., $60 thousand per year per inmate) to operate its correctional facilities.[14] This does not include the cost to build the correctional facility.

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[8] *The Correctional Services Act*, 2012, s.2 (p).

[9] Ministry of Justice, *Annual Report for 2015-16*, p. 6.

[10] Under the *Federal Young Offenders Act*, some youths may be held in the adult correctional facility system. Generally, under the *Youth Justice Administration Act*, youths in custody are to be held separate and apart from any adult held in custody.

[11] Saskatchewan also has one federal penitentiary in Prince Albert—a secure-custody facility operated by Correctional Service Canada (the Government of Canada). Federal penitentiaries are for offenders sentenced to terms exceeding two years.

[12] statcan.gc.ca/pub/85-002-x/2015001/article/14163/tbl/tbl05-eng.htm (16 May 2016).

[13] Source: Ministry of Justice.

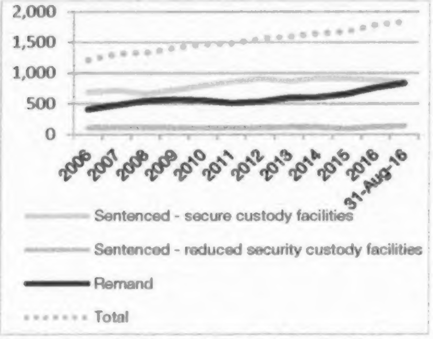
[14] www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2510018&&pattern=&stByVal=1&p1=1&p2=35&tabMode=dataTable&csid (6 October 2016).

2.4 A Growing Adult Inmate Population

In 2015-16, Saskatchewan had on average 1,786 adult inmates (of which 769 were on remand—43%).[15] Saskatchewan's adult inmate population fluctuates. At August 31, 2016, the year-to-date average was 1,839 adult inmates (of which 839 were on remand—46%).

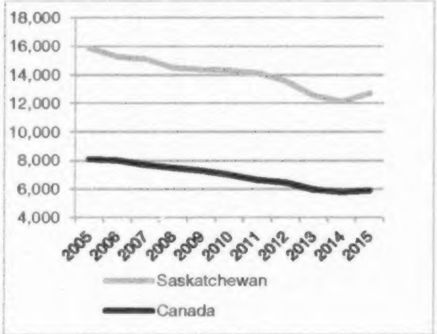
As shown in **Figure 1**, over the past 10 years, the number of adult inmates in Saskatchewan increased by about 51%. This increase is mainly due to a 104% increase in the number of inmates on remand over this period (as compared to a 25% increase in the number of sentenced inmates).

Figure 1—Average Counts of Adult Inmates in Saskatchewan Provincial Adult Correctional Facilities at March 31



Source: Justice's Criminal Justice Information Management System.

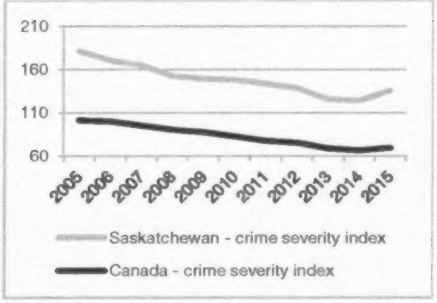
Figure 2—Crime rate trends in Saskatchewan Compared to Canada at December 31 (per 100,000 population)



Source: Statistics Canada.

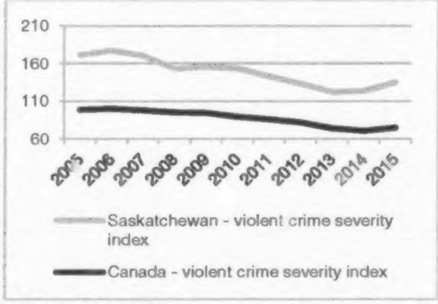
Over the past 10 years, Saskatchewan's crime rates have generally declined as shown in **Figure 2**. In 2015, Saskatchewan had the highest crime rate among the provinces, at more than double the national rate. It also had the highest crime severity[16] and second highest violent crime severity[17] indices among the provinces (see **Figures 3** and **4**).

Figure 3—Crime Severity in Saskatchewan Compared to Canada



Source: Statistics Canada.

Figure 4—Violent Crime Severity in Saskatchewan Compared to Canada



Source: Statistics Canada.

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[15] April 1 to March 31.

[16] The crime severity index measures changes in the level of severity of police reported crime in Canada from year to year. It includes all Criminal Code violations including traffic, as well as drug violations and all Federal Statutes. In the index, all crimes are assigned a weight based on their seriousness. More serious crimes are assigned higher weights, and less serious offences lower weights.

[17] The violent crime severity index measures changes in the level of severity of violent crime reported in Canada from year to year. It includes all Incident-Based Uniform Crime Reporting Survey violent violations.

The current growth in inmate population is contrary to declines in Saskatchewan's crime rates.

In 2014-15, Saskatchewan's adult incarceration rate[18] of 195/100,000 adult population was more than twice the average rate of other provinces and territories (i.e., 85/100,000), and more than three times that of Canada's federal facilities (i.e., 53/100,000).[19, 20]

2.5 Crowding in Saskatchewan Correctional Facilities

As the Saskatchewan Ombudsman Office highlighted in 2011, Saskatchewan is experiencing problems with crowding in Saskatchewan's correctional facilities. It reported that in addition to being places of security and punishment, correctional facilities are meant to be places of rehabilitation that better prepare inmates to be contributing members of society upon release.[21] As such, these facilities must have enough space to house inmates, as well as rehabilitate sentenced inmates.

Adult correctional facilities operating over their capacity can:

- Increase risks of violence and illness for inmates
- Make separating incompatible inmates (e.g., gang members) challenging
- Reduce space for rehabilitation programming (e.g., converting rehabilitation or fitness space to bed space for inmates), which in turn may hinder efforts to reduce reoffending
- Cause workplace hazards and stress for corrections staff (e.g., increase tension and risk of conflict between inmates and staff)[22, 23]

Given the potential consequences and risks to adult inmates, corrections staff, and society from operating over facility capacity, Justice must actively plan for changes in the inmate population and its impact on the correctional facilities.

Effective planning for inmate capacity of adult correctional facilities includes investigating capital and non-capital alternatives (e.g., reducing the inmate population, reorganizing space, innovating ways to classify and separate inmates). Effective planning with a longer-term view allows sufficient time to seek approval to modify, expand, or construct facilities when necessary.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit is to assess the effectiveness of the Ministry of Justice's processes to plan for inmate capacity of provincial adult correctional facilities for the 12-month period ended July 15, 2016. The audit does not include correctional facilities for

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[18] Adult incarceration rate is the average number of adults in custody (sentenced custody, remand and other temporary detention) per day for every 100,000 adults in the population.

[19] statcan.gc.ca/pub/85-002-x/2016001/article/14318-eng.htm (12 October 2016).

[20] 2015-16 statistics were not available at July 15, 2016.

[21] ombudsman.sk.ca/uploads/document/files/omb-ar-2011-en.pdf, p. 3. (16 May 2016).

[22] Auditor General of British Columbia. *An Audit of the Adult Custody Division's Correctional Facilitates and Programs*, (2015), p. 13.

[23] ombudsman.sk.ca/uploads/document/files/omb-ar-2011-en.pdf (16 May 2016).

young offenders. We also did not examine police or judicial decisions to incarcerate adult inmates.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Justice's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. Justice's management agreed with the criteria (see **Figure 5**).

We examined Justice's policies and procedures that relate to planning for inmate capacity of adult correctional facilities. We also assessed its facility studies and work to develop strategies for managing facility inmate capacity (e.g., program review charter, terms of reference, draft work plan). We visited selected correctional facilities. We interviewed management and employees in Justice's central office and correctional facilities.

Figure 5—Audit Criteria

Processes to:

1. **Determine demand for correctional facility space**
    - 1.1 Determine existing inmate capacity of correctional facilities
    - 1.2 Forecast demand for correctional facilities (e.g., short, medium, long term; sentenced, remand; male, female; housing, rehabilitation programming, administration)
    - 1.3 Analyze the gap between existing capacity and forecasted demand
2. **Prioritize needs for space at correctional facilities**
    - 2.1 Determine needs for space using gap analysis
    - 2.2 Analyze alternatives to meet needs for space (e.g., reorganization of programs, use of external programs, renovation/expansion)
    - 2.3 Select correctional facility space priorities
    - 2.4 Confirm priorities with key stakeholders (e.g., government, public, First Nations)
3. **Develop a long-term correctional facility inmate capacity plan**
    - 3.1 Plan strategies for meeting needs and unexpected changes in demand
    - 3.2 Identify resources to implement planned strategies (e.g., financial, human resource)

We concluded that for the 12-month period ended July 15, 2016, the Ministry of Justice had, other than the following, effective processes to plan for inmate capacity of provincial adult correctional facilities. Justice needs to:

- **Establish written guidance for use in facility capacity planning**
- **Define how it will determine the inmate capacity of its existing adult correctional facilities to guide facility capacity planning decisions**
- **Promptly forecast demand for rehabilitation program space, and complete its analysis of alternatives to meet needs for adult correctional facility inmate living and program space**
- **Regularly update written contingency plans to meet unexpected changes in demand for inmate living and program space**
- **Develop a written long-term plan to manage inmate capacity in its adult correctional facilities**

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out our key findings along with related recommendations.

4.1 Written Guidance for Long-Term Facility Capacity Planning and Overall Plan Needed

Facility capacity planning is the process of determining the number of inmates a facility can effectively house and rehabilitate and responding to changing demands. Capacity planning involves a long-term view given building and operating facilities require, a long-term commitment of resources.

Planning for inmate capacity of correctional facilities is complex. It is particularly complex because:

- The nature, type, and location of correctional facilities needed depend upon the desired direction of correctional services. Justice's 2016-17 Mission Statement indicates its programs and services include providing offender management that promotes public safety and rehabilitation, and strategies that reflect the cultural and demographic realities of the province.[24] In addition, as noted in **Section 2.0**, laws set out guiding principles that Justice must apply when delivering correctional services to inmates.

- Justice cannot directly control the inflow and outflow of inmates into and out of its facilities. Inmates are either offenders sentenced to serve their sentences in correctional facilities or inmates on remand. Justice can work with its partners (see **Figure 6**) to support means other than incarceration to fulfil sentencing requirements (e.g., Building Partnerships initiative).[25] These are often referred to as non-capital alternatives.

- It involves co-ordination of the direction and activities of many of its branches with diverse responsibilities—Justice has made its Custody, Supervision and Rehabilitation Services Division responsible for day-to-day decisions about the use of correctional facility space, including how much space to make available for rehabilitation programming. Its Research and Evidence-based Excellence Branch researches the rehabilitation programming for delivery in correctional facilities; the nature and extent of rehabilitation programming drives the need for facility programming space. See **Figure 6**.

- It involves co-ordinating and aligning its efforts with external partners (e.g., police services, Saskatchewan Legal Aid, health agencies, First Nations and Métis organizations). See **Figure 6**.

- It involves alignment with the Government's priorities—it must work with central agencies (e.g., SaskBuilds and Ministry of Finance) on its long-term capital plans and to obtain resources.

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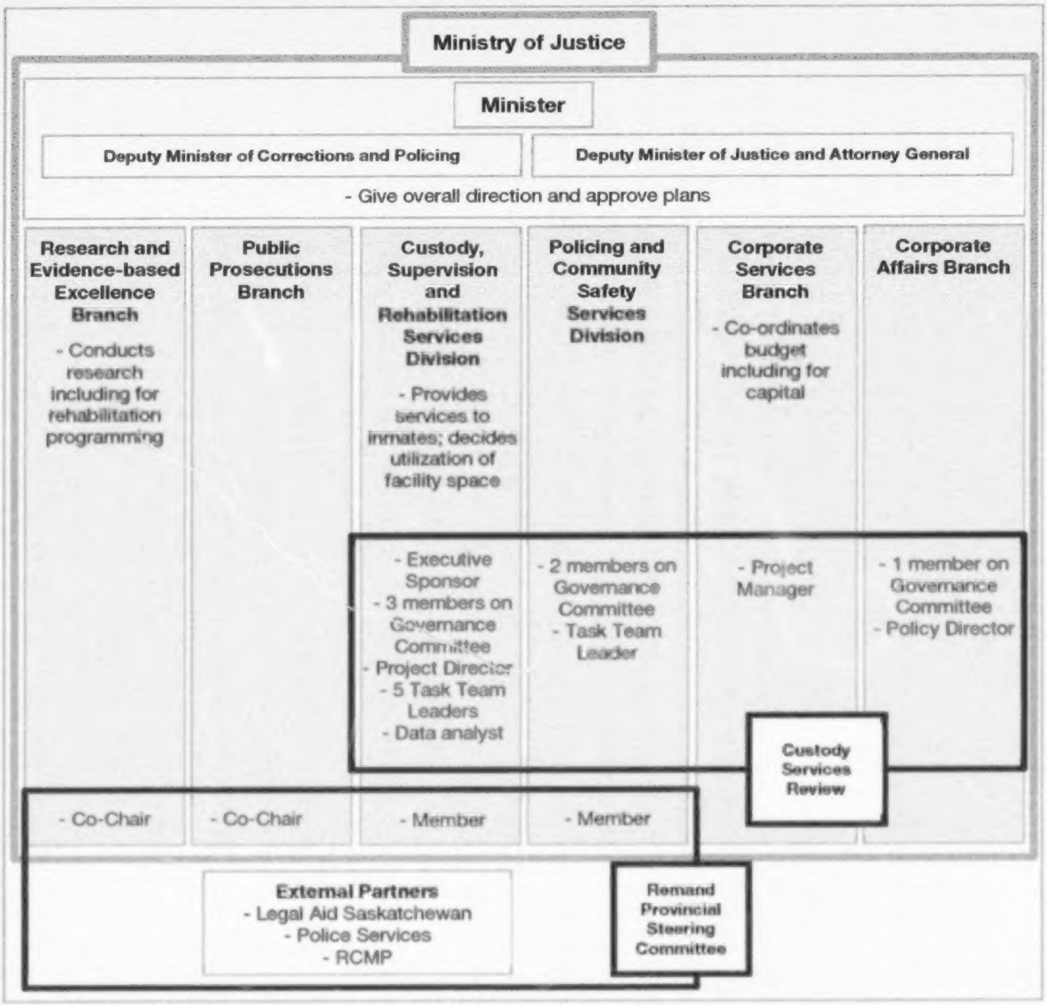
[24] finance.gov.sk.ca/PlanningAndReporting/2016-17/JusticePlan1617PRINT.pdf (6 October 2016).

[25] Provincial Auditor of Saskatchewan, *2016 Report – Volume 1*, Chapter 10.

Figure 6—Stakeholders Involved in Correctional Facility Capacity Planning


Ministry of Justice
Minister
Deputy Minister of Corrections and Policing
Deputy Minister of Justice and Attorney General
- Give overall direction and approve plans
Research and Evidence-based Excellence Branch
- Conducts research including for rehabilitation programming
Public Prosecutions Branch
Custody, Supervision and Rehabilitation Services Division
- Provides services to inmates; decides utilization of facility space
Policing and Community Safety Services Division
Corporate Services Branch
- Co-ordinates budget including for capital
Corporate Affairs Branch
- Executive Sponsor
- 3 members on Governance Committee
- Project Director
- 5 Task Team Leaders
- Data analyst
- 2 members on Governance Committee
- Task Team Leader
- Project Manager
- 1 member on Governance Committee
- Policy Director
Custody Services Review
- Co-Chair
- Co-Chair
- Member
- Member
External Partners
- Legal Aid Saskatchewan
- Police Services
- RCMP
Remand Provincial Steering Committee

Source: Provincial Auditor Saskatchewan (2016).

We found Justice was carrying out various correctional facility capacity planning activities to respond to the growth in Saskatchewan's adult inmate population without the benefit of written guidance. **Figure 7** describes the general content of written guidance for effective facility capacity planning.

Figure 7—General Content of Written Guidance for Effective Facility Capacity Planning

Written guidance would require:

- Alignment with the long-term strategic plan.
- Use of a selected planning framework or model (e.g., International Facility Management Association's white paper on Strategic Facility Planning).
- Alignment with best practice. For example, the United Nations' *Handbook on strategies to reduce overcrowding in prisons* suggests processes for managing prison capacity including capital and non-capital strategies. The Handbook suggests that *small but co-ordinated steps by a range of actors can make a real difference to the resolution of complex problems.*
- Defining of deliverables (e.g., population management strategies, **facility master plan**, annual capital and maintenance budgets).

- Setting and assigning of roles and responsibilities.
- Involvement of stakeholders (e.g., Legal Aid, police services, community).
- Regular updates (e.g., annual review as part of budget submission, five-year strategic refresh).

Source: Provincial Auditor Saskatchewan (2016).

Written guidance for facility capacity planning supports a co-ordinated approach that makes expectations clear and sustains the planning process. Written guidance is particularly important when planning involves a large number of parties and is complex. Without written guidance to plan space in its correctional facilities, Justice may not complete timely and effective capacity plans for delivering services in its adult correctional facilities.

1. We recommend that the Ministry of Justice establish written guidance for use in planning capacity for delivering correctional services and programs to inmates in its adult correctional facilities.

Management advised us that Justice used its executive committee to lead its facility capacity planning activities across the Ministry. It used its strategic plan to guide this planning and prepared capital plans following the Government's annual budget process.

In addition to projects and initiatives noted in **Figure 8**, Justice had:

- The Custody Services Review—the Review is to include work to help determine factors driving growth in inmate populations and develop strategies to reduce or address this growth. It involves Justice staff from four branches (see **Figure 6**), acting in various governance, leadership, and other roles.

- The Remand Provincial Steering Committee—the Committee is to identify remand strategies. It is co-chaired by two branches of Justice, and includes members from across Justice and its external partners (see **Figure 6**).

Figure 8—Recent and Planned Correctional Facility-Related Projects or Initiatives

During the past few years, Justice started or completed several projects related to inmate capacity planning, including:

- In October 2013, Justice completed construction of a $13.2 million 36-cell (72-bed) unit in its Pine Grove Provincial Correctional Centre.[A] This is a cost of about $183 thousand per inmate (including common places for living and rehabilitation programing).
- In April 2014, the Government announced its plans to build a new Saskatchewan Hospital North Battleford – Integrated Correctional Facility at a cost $407 million including financing and 30-year maintenance agreement. Construction commenced in 2015 and the facility is expected to open in 2018. It is to include 96 secure-custody beds for male and female offenders living with mental health issues.[B]
- In October 2014, Justice completed a study of its inmate correctional facilities (2014 Facility Study). The Study included recommendations for a facility master plan (i.e., schedule of capital projects including estimated construction costs and timing to expand facilities to meet demand), correctional facility unit staffing levels, and various facility planning practices. Justice did not accept the recommended facility master plan in its entirety due to the significant capital investment required ($341 million over ten years). It has implemented some parts of the plan (e.g., conversion of Orcadia Youth Residence into a low-security adult facility [White Spruce Training Centre]).
- In October 2015, Justice completed construction of a $21.2 million 72-cell (144-bed) unit in its Prince Albert Provincial Correctional Centre.[A] This is a cost of about $147 thousand per inmate (including common places for living and rehabilitation programing).
- In 2016-17, Justice plans to complete the first of two phases to replace the kitchen at the Prince Albert Provincial Correctional Centre. It expects this project will address occupational health and safety concerns, health code violations, and structural degradation.[C]

In addition to new construction, Justice moved to using **double bunking** in all correctional centres, and converted rehabilitation program space to dormitories. Justice also temporarily used other spaces (e.g., visiting areas) to accommodate inmates when available bed space could not keep up with demand.

Source: Provincial Auditor of Saskatchewan (2016).
[A] Ministry financial records.
[B] www.saskbuilds.ca/projects/Saskatchewan%20Hospital%20North%20Battleford.html (6 October 2016).
[C] www.finance.gov.sk.ca/PlanningAndReporting/2016-17/JusticePlan1617PRINT.pdf (6 October 2016).

We found it was not clear how these projects and initiatives aligned with Justice's guiding principles (e.g., least restrictive measures, promotion of rehabilitation). In addition, although Justice had been working to address the growth in the inmate population for several years, at July 15, 2016, it did not have an overall facility capacity plan to provide overall direction for its various activities.

Justice employees advised us that the increase in adult inmate populations has led to increased issues and incidents (e.g., disturbances resulting in property damage, hunger strikes, in-custody deaths, escape attempts). They also noted that they spent more time addressing daily demands, rather than thinking about and co-ordinating strategic solutions to manage inmate capacity at the adult correctional facilities.

See **Recommendation 6** about the need for a **long-term plan** to manage inmate capacity in its adult correctional facilities.

4.2 Definition of Inmate Capacity Needed

Justice had not determined the number of inmates that its existing correctional facilities can effectively house and rehabilitate (i.e., inmate capacity). As a result, Justice could not calculate if it was operating within its inmate capacity.

Justice tracked the number of beds available in each facility, and monitored bed utilization using reports from its Criminal Justice Information Management System (CJIMS). As shown in **Section 5.0**, at August 31, 2016, Justice had operational bed capacity of 2,005 comprised of 1,858 beds in secure-custody facilities and 147 beds in reduced-custody facilities. Operational bed capacity reflects the number of permanent beds located in cells and other areas within correctional facilities. It does not necessarily equate to inmate capacity.

The amount of space required for an inmate can vary depending on a variety of factors. These include condition of the building, amount of time inmates spend in the sleeping area, number of inmates in that area, ventilation and light, facilities and services available, and extent of supervision available. These factors increase the complexity of setting minimum space standards (e.g., living, program, fitness).

There is no internationally accepted standard for living and program space for an inmate. Europe has set minimum standards for living space.[26] Also, the International Committee of the Red Cross has recommended technical standards for space,[27] but it does not consider these to be minimum standards.[28]

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[26] www.cpt.coe.int/en/working-documents/cpt-inf-2015-44-eng.pdf (24 October 2016).
[27] icrc.org/eng/assets/files/other/icrc-002-0823.pdf (24 October 2016).
[28] icrc.org/eng/assets/files/publications/icrc-002-4083.pdf, p. 10 (24 October 2016).

Justice has not set standards for living and program space.[29] Instead it relies on architects to design correctional facility space based on practices of the time. Over time, correctional practice has evolved (e.g., new rehabilitation strategies and programs, shift to **direct supervision**),[30] resulting in the use of a variety of different designs for Justice's correctional facilities and space allocations for inmates.

Justice had information about the original design of its adult correctional facilities and the design of its major construction projects that expanded those facilities; this information included inmate capacity.

From time to time, Justice hires outside experts to help it approximate the existing inmate capacity of its facilities. For example, in 2014, Justice hired consultants with expertise in corrections planning, architecture, and engineering to review the existing facilities against the evolving system needs. These consultants used information about original facility design and expansions and rehabilitation programming to approximate the existing inmate capacity of the facilities. In 2014, Justice estimated that its facilities could handle 1,653 inmates comprised of 1,583 beds in secure-custody facilities and 70 beds in reduced-custody facilities.

In their study (i.e., 2014 Facility Study), the consultants recommended Justice develop a range of space standards (living and program) and functional guidelines for use in facilities planning. As of July 15, 2016, Justice had not done so.

In addition, the 2014 Facility Study identified concerns with Justice's practice of converting program space to living space (i.e., dormitories) for inmates. Justice advised us that it converted space to provide beds for the increasing inmate population, in particular increases of inmates on remand.

As reflected in **Figure 8**, since the 2014 Facility Study, Justice's correctional facilities have been expanded, and it has continued with double bunking and converting rehabilitation space into dormitories without the use of minimum space standards. During our visits of correctional facilities, corrections staff highlighted concerns with space to deliver rehabilitation services to inmates.

Conversion of program space to living space for inmates on remand directly impacts space available to rehabilitate sentenced inmates.[31] Thus, as the number of inmates on remand grows, the space available to deliver required rehabilitation programming to sentenced inmates is shrinking.

Not defining the existing inmate capacity of its adult correctional facilities increases the risk that Justice may not make effective decisions about utilization, modification, or construction of facilities. It may result in inmates in different facilities having differing and insufficient space available for living and programs. Poor facility decisions could potentially result in inhumane or unsafe conditions for inmates or correctional officers, ineffective rehabilitation of inmates, or inefficient use of public funding.

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[29] Justice follows the *Standard Minimum Rules for the Treatment of Prisoners* published by the United Nations, but these rules do not set standards for living or program space. The United Nations is an international organization formed to increase political and economic co-operation among member countries. It works on economic and social development programs, improving human rights, and reducing global conflicts. It has 193 Member States, including Canada.

[30] Direct supervision is a method of supervising inmates where corrections staff are in the living unit to enable continuous, direct personal interaction with inmates. **Indirect supervision** is a method of supervising inmates where corrections staff monitor inmate living areas from enclosed areas outside of the living units. Justice uses direct supervision in its facilities, although this is done through modified processes in facilities that were designed for indirect supervision (e.g., door to enclosed area is left open so staff can interact continuously with inmates).

[31] Rehabilitation programming is primarily focused on sentenced inmates because they are in the correctional facilities long enough to allow for completion of the programs.

2. **We recommend that the Ministry of Justice define how it will determine the inmate capacity of its existing adult correctional facilities to guide facility capacity planning decisions.**

4.3 Inmate Growth Forecasted and Monitored

Justice forecasted growth in inmate counts.

The 2014 Facility Study analyzed 10-year inmate trends and forecasted inmate populations for 2014, 2018, 2023, and 2028. The forecasts considered trends related to demographics, courts, crime rates, and arrest rates. Consistent with the past 10-year trends, the Study forecasted continued growth in inmate populations with faster growth of inmates in remand than sentenced inmates. The Study did not analyze the reasons for estimated increases in remand populations. As shown in **Section 5.0**, the Study forecasted inmate populations would exceed 2,000 by 2018.

Since 2014, Justice has monitored the accuracy of these forecasts. It has found they are generally accurate.

4.4 Rehabilitation Program Demand Not Forecasted

Justice did not forecast demand for rehabilitation programs and related facility space.

The 2014 Facility Study did not forecast demand for rehabilitation programs, other than vocational and job skills training.

Justice maintained information about rehabilitation programs currently offered in its facilities and mental health treatment programs it expects to offer at the Saskatchewan Hospital North Battleford – Integrated Correctional Facility to adult male and female offenders. At July 2016, Justice had not identified further changes it planned to make, on an overall or by facility basis, to its current rehabilitation programs and related facility space requirements to address future needs and to make sure its programming aligned with its guiding principle—having programs and services designed to promote the rehabilitation and reintegration of inmates into the community.

During our visits of correctional facilities, corrections staff expressed concern about the impact of crowding on rehabilitation programs. In addition, they noted that rehabilitation needs are changing as the profile of the average inmate changes (e.g., inmates are more likely to be younger, on remand, have gang associations, and have significant mental health issues).

Inmate capacity planning must consider space required for rehabilitation programming at the present and in the future. To determine program space, Justice requires forecasts of demand for rehabilitation programs. To do this, it must first determine the nature and extent of programs it plans to deliver. Not having timely forecasts of demand for rehabilitation programs increases the risk that Justice may not have sufficient and adequate space when needed to rehabilitate inmates.

3. **We recommend that the Ministry of Justice promptly forecast demand for rehabilitation program space in its adult correctional facilities.**

4.5 Analysis of Alternatives Incomplete

Justice had not completed its analysis of alternatives or developed strategies to meet needs for inmate living and program space in its adult correctional facilities.

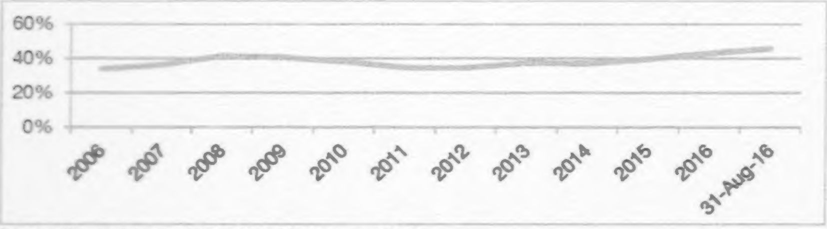
Because Justice had not estimated its demand for rehabilitation space, it had not formally determined whether it has sufficient and suitable space for rehabilitation programs. It was aware of concerns expressed by correctional facility staff about current space available to deliver rehabilitation programs.

With respect to living space, through the 2014 Facility Study, Justice identified a gap between its then estimated facility capacity and forecasted demand for inmate living space. The Study noted the length of stay for most inmates on remand was relatively short (e.g., less than 30 days). It suggested capital options to address the gap for inmate living space, and estimated the cost and impact on capacity.

As shown in **Section 5.0**, in 2014, Justice's facilities were designed for 1,395 beds. Through initiatives such as a 144-bed expansion at the Prince Albert Correctional Facility, double bunking, and conversion of a youth facility into an adult facility and space, Justice had an operational bed capacity of 2,005 at August 31, 2016.

Since 2014, Justice has been analyzing alternate strategies to meet needs for inmate space including those made in the 2014 Facility Study. At July 2016, it had not completed its analysis of these alternatives. It has focused its analysis on understanding the reasons for the growth in the remand population and strategies to address those increases. In 2016, Justice has partnered with the University of Regina to assist with remand data models and analysis (e.g., forecasting remand trends).

Figure 9—Percentage of Remand as Compared to Sentenced Population, at March 31 of Each Year



Source: Criminal Justice Information Management System.

Justice's 2015-16 remand analysis indicated:

- As shown in **Figure 9**, the percentage of inmates on remand is significant as compared to sentenced inmates (i.e., in 2015-16, was on average 43%) and is forecasted to increase.
- Other provinces are also experiencing large increases in their populations of inmates on remand (e.g., inmates on remand make up over 60% of the total inmate populations in Manitoba and Ontario).[32]
- On average, an inmate on remand costs nearly double that of a sentenced inmate.[33] As previously noted in **Section 2.3**, each inmate costs an average of $166 per day.[34]
- 58% of inmates on remand are released within two weeks, and 70% within 31 days. Management advised us that when inmates are released from remand within a shorter period, it indicates that the courts did not find the inmate to be high risk.
- Timing of court proceedings impact the length of time inmates are on remand; an inmate arrested on a Friday is often on remand until the middle to end of the following week because courts do not operate over the weekend.
- The few[35] inmates on long-term remand (i.e., greater than two years)[36] account for significantly more **bed days** during their total time in the correctional centres as compared to the large number of inmates annually on short-term remand (i.e., less than one week).

At July 15, 2016, Justice was starting to use its remand analysis to develop strategies to reduce the inmate on remand population. It recognized that reducing the inmates on remand population could make more space available for sentenced inmates.

Justice was also developing plans to review its population management and inmate classification processes to help it develop strategies to better manage inmate capacity. For example, it noted initiatives to divert lower-risk sentenced inmates and inmates on remand to community supervision could reduce the future inmate population (e.g., non-capital alternatives).

During our visits of adult correctional facilities, we observed that in addition to double bunking, Justice sometimes housed inmates in program and other (e.g., visiting) areas when it did not have sufficient beds to meet capacity. We noted some of these areas did not have washroom facilities, requiring correctional officers to escort an inmate to use the washroom. Such arrangements require additional correctional workers' time.

Analysis of alternatives, including those that do not involve major construction or renovation of facilities, provide a foundation for developing long-term strategies to plan for inmate capacity in its facilities. The current situation increases the need for Justice to complete its analysis of alternatives as soon as possible. Without timely and effective analysis of alternatives for planning facility capacity, Justice is at greater risk of spending public resources that address issues only on a short-term basis (e.g., renovations to convert space) and are not sustainable over the long term (e.g., double bunking).

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[32] www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2510005&&pattern=&stByVal=1&p1=1&p2=35&tabMode=dataTable&csid= (3 October 2016).

[33] Justice noted inmates on remand require frequent transport between facilities and the courts for court appearances and trials.

[34] www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2510018&&pattern=&stByVal=1&p1=1&p2=35&tabMode=dataTable&csid (6 October 2016).

[35] The number of inmates on long-term remand can fluctuate as inmates reach two years on remand, are released, or sentenced to federal penitentiaries. At July 15, 2016, 27 inmates in Justice's correctional facilities had served two years or more on remand.

[36] Inmates can generally be sentenced to a provincial correctional facility for a maximum of two years less one day. There is no time limit for remand. Generally offenders who serve more than two years in remand, if found guilty, will be sentenced to a federal penitentiary.

4. **We recommend that the Ministry of Justice promptly complete its analysis of alternatives to meet needs for adult correctional facility space, including those alternatives that do not require major construction or renovation of the facilities.**

We found during our audit that Justice was recommending capital projects to renovate and expand correctional facilities (see **Figure 8** for recent planned capital projects) without an overall facility capacity plan. Rather, for prioritizing capital projects it recommended for consideration and approval for 2016-17, Justice used criteria (e.g., scope of economic impact [community, region, provincial], social impact [improving quality of life]) set centrally in the Government.[37] At this time, the centralized process did not require Justice to confirm its priority needs for additional correctional facility space with its key partners. See **Recommendation 6** about the need for a long-term overall plan to manage inmate capacity in its adult correctional facilities.

4.6 Facility Contingency Plans Incomplete and Not Centrally Reviewed

Justice did not have documented or centrally co-ordinated plans designed to address unexpected temporary changes in demand in inmate space (i.e., contingency plans) for all of its correctional facilities.

We found it reasonable that Justice did not have contingency plans for reduced-custody facilities. Justice used an application process to select, based on available space, inmates to transfer from secure-custody adult correctional centres to reduced-custody facilities.[38] Use of an application process helped Justice to operate the reduced-custody facilities within their capacity. We observed that Justice occasionally deferred applications because of lack of space in a reduced-custody facility. The application process helped it to manage available space.

For secure-custody facilities, Justice used weekly meetings with management of central office and secure-custody facilities to discuss inmate capacity concerns. This group discussed alternatives and made recommendations to address immediate shortages of beds.

For three of its four secure-custody adult correctional centres, Justice had written contingency plans. We found these plans were designed to address unexpected changes in demand for living space (e.g., beds in program rooms) without consideration of the impact on program space. The fourth secure-custody adult correctional centre did not have a written contingency plan. Correctional staff of that facility indicated they had informal contingency plans to manage unexpected changes in demand for living space.[39] We noted that facility was experiencing increased shortages of space.

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[37] SaskBuilds is responsible for co-ordinating long-term infrastructure planning across the Government, including the Government's significant public-private partnership projects. It leads the development of the Government's integrated long-term infrastructure plan; it updates this plan annually to inform the development of the Government's summary budget.

[38] Inmates who are low risk may be transferred from secure-custody facilities to reduced-custody facilities in the communities as part of plans (e.g., education, employment) to help them reintegrate into society.

Justice did not centrally review these contingency plans to identify inconsistencies in space prioritization, and ensure all facilities use acceptable or best practices.

We found strategies to address increases in demand varied between secure-custody facilities. For example, we found one secure-custody adult correctional centre converted its gym into a dormitory for inmates, while another centre used visiting rooms for beds as its staff cited the importance of preserving the gym space for inmates.

Without effective and written plans to address unexpected changes in demand, Justice increases the risk of inmates not being provided with adequate housing, or receiving required rehabilitation programming.

5. **We recommend that the Ministry of Justice regularly update written contingency plans to meet unexpected changes in demand for living and program space in its secure-custody adult correctional facilities.**

4.7 Long-Term Overall Facility Capacity Plan Needed

As noted in **Section 4.1**, Justice did not have an overall facility capacity plan designed to address long-term needs for space in its adult correctional facilities. At July 2016, Justice was developing plans based on its recent remand analysis (as noted in **Section 4.5**) and Custody Services Review (see **Section 4.1** for details). It expects these plans to identify selected strategies, work plans, and required resources for reducing inmates on remand and managing the sentenced inmate population. At July 15, 2016, it had not set timelines for completing the development of strategies.

Not having a written long-term plan to manage inmate capacity in its adult correctional facilities increases the risk that Justice may not have the right space to provide adequate housing and rehabilitation programming to adult inmates at the right time. Inadequate planning also increases the risk of incurring higher operational or construction costs than necessary.

6. **We recommend that the Ministry of Justice develop a written long-term plan to manage inmate capacity in its adult correctional facilities.**

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[39] Management advised us that this was because the fourth facility had not experienced significant capacity issues until recent years. As shown in **Section 5.0**, all secure-custody facilities experienced significant capacity issues as of August 31, 2016.

5.0 BED COUNTS BY ADULT CORRECTIONAL FACILITY

Facility	Original Design Capacity[A]	Operational Bed Capacity[B]	Average Daily Count (Year-to-Date at August 31, 2016)[C]	Peak (April 1, 2015 to October 1, 2016)[C]	Peak Day[C]	Projected Need		
						2018[A]	2023[A]	2028[A]
Secure-Custody Facilities – Men								
Prince Albert Provincial Correctional Centre	260	484	458	484	10-Sep-16			
Regina Provincial Correctional Centre	460	764	640	700	12-Sep-16			
Saskatoon Provincial Correctional Centre	370	434	427	511	14-Aug-15			
Secure-Custody Facilities – Women								
Pine Grove Correctional Centre (Prince Albert)	130	158	162	192	29-Sep-16			
White Birch Remand Unit (Regina)	18[D]	18	12	19	18-Sep-16			
Subtotal Secure-Custody Facilities	**1,238**	**1,858**	**1,699**			**1,891**	**1,960**	**2,029**
Reduced-Custody Facilities – Men								
Buffalo Narrows Community Correctional Centre[E]	18	---	8	20	11-Nov-15			
Besnard Lake Correctional Camp	25	25	25	27	15-Jun-16			
Battlefords Community Correctional Centre	21	30	26	36	06-Jul-15			
Prince Albert Community Training Residence	12	10	10	20	18-Apr-16			
Regina Community Training Residence	12	12	13	20	18-May-16			
Saskatoon Community Training Residence	15	12	15	17	26-Mar-16			
White Spruce Training Centre	39[F]	42	31	39	05-Apr-16			
Reduced-Custody Facilities - Women								
Saskatoon Community Training Residence	15	16	12	16	11-Jul-15			
Subtotal Reduced-Custody Facilities	**157**	**147**	**140**			**183**	**190**	**196**
Total	**1,395**	**2,005**[G]	**1,839**			**2,074**	**2,150**	**2,225**

[A] Source: Ministry of Justice 2014 Facility Study except as otherwise noted. Projected need is based on a 2013 incarceration rate model.

[B] Source: Criminal Justice Information Management System at August 31, 2016. Justice included all permanent beds in its operational bed count including those added due to new construction and renovations (e.g., adding second bed to a cell, permanently putting beds into a program or other room that can meet basic needs such as washrooms and showers). Justice did not include in its operational bed count contingency beds (e.g., beds put into a program room that does not meet basic needs such as washrooms).

[C] Source: Criminal Justice Information Management System. Note: for community training residences, the peak count may be higher than capacity where some inmates are staying in a residence but are temporarily away (e.g., completing treatment with another agency such as drug detoxification, on temporary absence such as visiting home for a weekend) and other inmates use their bed space while they are away.

[D] Source: Ministry of Justice. This facility opened in 2014 so did not exist at the time of the 2014 Facility Study.

[E] The Buffalo Narrows Community Correctional Centre closed during 2016-17. As it was open for part of 2016-17, the design capacity, year-to-date average at August 31, 2016, and peak for April 1, 2015 to October 1, 2016 are included above. The operational capacity above is nil as these beds were no longer available at August 31, 2016.

[F] Source: Ministry of Justice. This facility opened in 2015 so did not exist at the time of the 2014 Facility Study.

[G] The 2014 Facility Study stated that correctional systems should operate with 20% additional bedspace above the in-custody headcount to allow for peak count days and separation of incompatible inmates. This would also allow time for maintenance of the facilities (i.e., beds cannot be used while major maintenance is being done).

6.0 Glossary

Bed Day – Use of a correctional facility bed by an inmate for one day.

Direct Supervision – A method of supervising inmates where corrections staff are in the living unit to enable continuous direct personal interaction with inmates.

Double Bunking – The practice of housing two or more inmates in a cell designed for one person.

Facility Capacity Planning – Planning to meet future demand for space in the facility.

Facility Master Plan – A document outlining future plans to meet facility capacity needs including capital projects and estimated construction costs and timing.

Indirect Supervision – A method of supervising inmates where corrections staff monitor inmate living areas from enclosed areas outside of the living units.

Long-Term Plan – In the context of facility planning a long-term plan includes a planning horizon of five years or greater.

Offender – A person who is an inmate, is under the supervision of a probation officer, or is subject to the terms of a supervision order.

Rehabilitation Programming – Various programs to help inmates reintegrate into the community and not commit further crimes following release from custody. Rehabilitation programming can include employment training, education, addictions treatment, life skills training, and other programs seeking to help improve outcomes when offenders complete their sentences.

Reduced-Custody Facility – A facility for holding sentenced individuals, who have been assessed as low risk, and are therefore offered increased freedom in order to seek employment, education, or programming in the community while completing their sentence.

Remand – Lawfully detained (e.g., arrested) or confined and awaiting trial or sentencing by the courts.

Secure-Custody Facility – A facility for holding individuals with ongoing supervision by correctional staff. Secure-custody facility inmates are separated from the general community.

Young Offender – A youth between the ages of 12 and 18 years who has committed a criminal offence.

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Chapter 29
Regina Roman Catholic Separate School Division No. 81—English as an Additional Language Programming

1.0 MAIN POINTS

This chapter reports the results of our audit of processes Regina Roman Catholic Separate School Division No. 81 (Regina Catholic, Division) uses to provide English as an Additional Language (EAL) programming to support the academic success of immigrant[1] Kindergarten to Grade 8 students.

English-language proficiency is a key factor in students' academic success. The longer it takes students to learn English, the more they may fall behind in school.

Regina Catholic had, except in the following areas, effective processes to provide English as an Additional Language programming to support the academic success of immigrant Kindergarten to Grade 8 students. It needs to do the following:

- Annually reassess its estimate for Kindergarten to Grade 8 EAL student enrolment
- Rationalize the number of Kindergarten to Grade 8 EAL teachers required for its EAL program
- Periodically analyze the results of the Kindergarten to Grade 8 EAL program

In addition, it needs to give its Board of Education periodic reports on the success of the Kindergarten to Grade 8 EAL program.

2.0 INTRODUCTION

English-language proficiency of immigrants and their families is a key factor in not only attaining Saskatchewan educational goals[2] but in enabling immigrants and their families to contribute positively to Saskatchewan. Students new to Canada may struggle with language barriers that can hinder their academic success. The academic success of students has a significant impact on society and the economy. Future educational and employment opportunities of students who leave school before graduating from Grade 12 are limited.[3]

The education sector recognizes it plays a key role in helping immigrant students to develop English-language proficiency. *The Education Act, 1995* (Act) sets out the duties of a board of education. These duties include approving and providing educational courses[4] to students in the school division. Under the Act, English is to be the language of instruction in schools, except where another language is specified (s. 180).

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[1] Immigrants include all residents who were not born in Canada. There are two types of these residents: non-permanent and permanent residents. Non-permanent residents include temporary residents and international students.

[2] *The Ministry of Education Action Plan – English as an Additional Language and Immigration,* (2011), p. 3.

[3] www.centerforpubliceducation.org/Main-Menu/Staffingstudents/Keeping-kids-in-school-At-a-glance/Keeping-kids-in-school-Preventing-dropouts.html (3 June 2016).

[4] The Ministry of Education sets out curriculum pertaining to courses of study with respect to Kindergarten and Grades 1–12 (Act, s. 3 (2)(c)).

Educational courses must include English-language programming, as needed, to enable students to be proficient in the English language.

2.1 Growing Enrolments in EAL Programming

Studies have found that EAL students are consistently over-represented in dropout statistics and failure rates.[5] The longer it takes students to learn English, the more they fall behind in school, which impacts their overall academic success.

To succeed in school, immigrant students need support in adapting to a Canadian curriculum, school environment, and culture. The *Education Sector Strategic Plan's* targets (e.g., achievement of established reading levels by Grade 3) focus on academic achievement during students' early years to help improve overall graduation rates.[6]

The *Ministry of Education Action Plan – English as an Additional Language and Immigration* highlights the role of the education sector in meeting the needs of immigrants and their families and in particular, building the education-sector capacity in EAL programs. It outlines key actions of the Ministry of Education (Ministry) to strengthen opportunities for learning English as an Additional Language.

As set out in **Figure 1**, the Ministry provides school divisions with various supports for EAL programming. EAL programming in provincially-funded schools helps build immigrant students' English-language proficiency.

Figure 1—Ministry of Education EAL Supports

The Ministry provides school divisions with the following supports for EAL programming:

- Funds for the initial EAL assessment of immigrant students
- Guidance and support documents in the areas of reading and writing; these are aligned with the Common Framework of Reference (CFR)[A]
- Demographic data and related interpretation designed to inform local and provincial decision-making about EAL supports, resources, and funding

Source: Adapted from *The Ministry of Education Action Plan – English as an Additional Language and Immigration* and *Ministry of Education Annual Report for 2014-15*, p. 19.

[A] The Common Framework of Reference is a criterion-referenced performance scale that supports educators as they work with a growing demographic of learners that require EAL supports.

In 2015, almost 10,000 students were registered in Grades 1 to 8 EAL programming offered in Saskatchewan provincially-funded schools. From 2012 to 2015, overall enrolments of students registered in Grades 1 to 8 EAL programming increased by 38%. As reflected in **Figure 2**, enrolment has increased for each grade with the most significant increases in Grades 2, 5, and 6.

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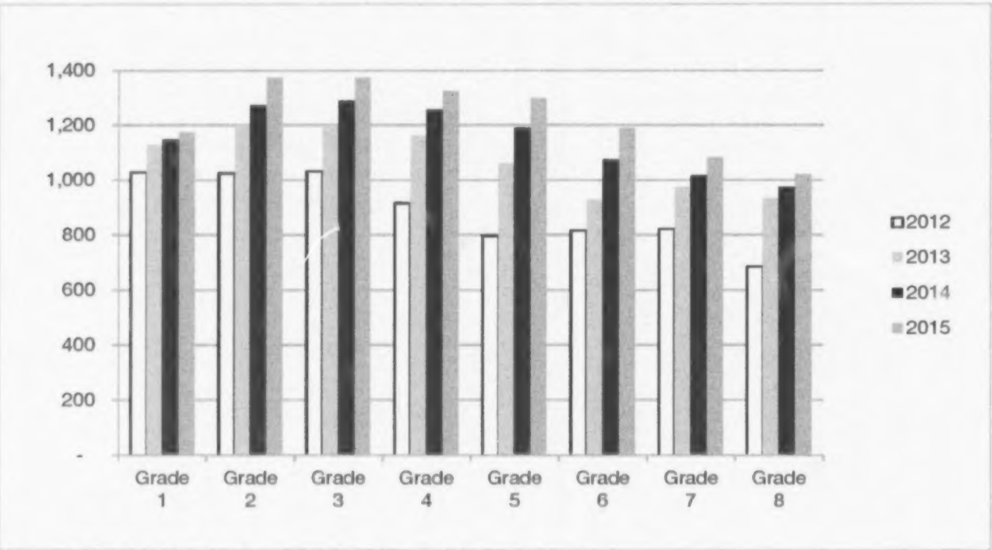
[5] http://atkinsonfoundation.ca/wp-content/uploads/2013/07/class-struggles-public-education-and-the-new-canadian.pdf (5 January 2016).

[6] The *Education Sector Strategic Plan* is a sector-wide strategic plan for the Pre-Kindergarten through Grade 12 education sector that is intended to bring coherence and alignment to the priorities of the Government, the Ministry, the sector, and the classroom.

Figure 2—Number of Saskatchewan Students Registered in EAL Programming[^]



Source: Ministry of Education – Student Data System as of September 30, 2015.
[^] Total Grades 1 to 8 Saskatchewan students registered in EAL programming during 2012-2015 were as follows: 2012: 7,115; 2013: 8,587; 2014: 9,222; 2015: 9,841.

2.2 Significant Demand for EAL Programming in Regina Catholic

Regina Catholic's mission is to work with the community and the local church to provide a quality Catholic education that fosters academic excellence and the development of informed, responsible citizens.[7]

At August 31, 2015, Regina Catholic had net financial assets of $16.8 million and tangible capital assets of $39.1 million.[8] In 2015-16, Regina Catholic had budgeted revenues of $110.9 million (2014-15: actual $116 million) and budgeted expenditures of $110.9 million (2014-15: actual $107 million). It planned to spend $83.8 million on instruction (2014-15: actual expenses $80.0 million).[9,10] In addition, in 2015-16, the Division planned to spend about $1.2 million on EAL instruction and support staff and $70 thousand on other EAL resources (e.g., classroom materials, software, professional development).[11]

Regina Catholic operates 29 schools located in Regina. It is responsible for educating about 11,000 students including almost 2,800 EAL students.[12,13] Regina Catholic employs over 640 full-time equivalent (FTE) teachers including 11 FTE EAL teaching positions.[14] At the end of the 2015-16 school year, 72% of the Division's EAL students were in Pre-Kindergarten to Grade 8.[15]

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[7] Regina Roman Catholic Separate School Division No. 81, *Annual Report 2014-15*, p. 4.

[8] Regina Roman Catholic Separate School Division No. 81, *Annual Report 2014-15*, Audited Financial Statements, p. 54. 2015-16 budgeted information not available for net financial assets and tangible capital assets.

[9] Regina Roman Catholic Separate School Division No. 81, 2015/16 Budget, dated June 1, 2015.

[10] Regina Roman Catholic Separate School Division No. 81, *Annual Report 2014-15*, p. 55.

[11] Adapted from information provided by Regina Roman Catholic Separate School Division No. 81.

[12] Regina Roman Catholic Separate School Division No. 81, *Annual Report 2014-15*, p. 3.

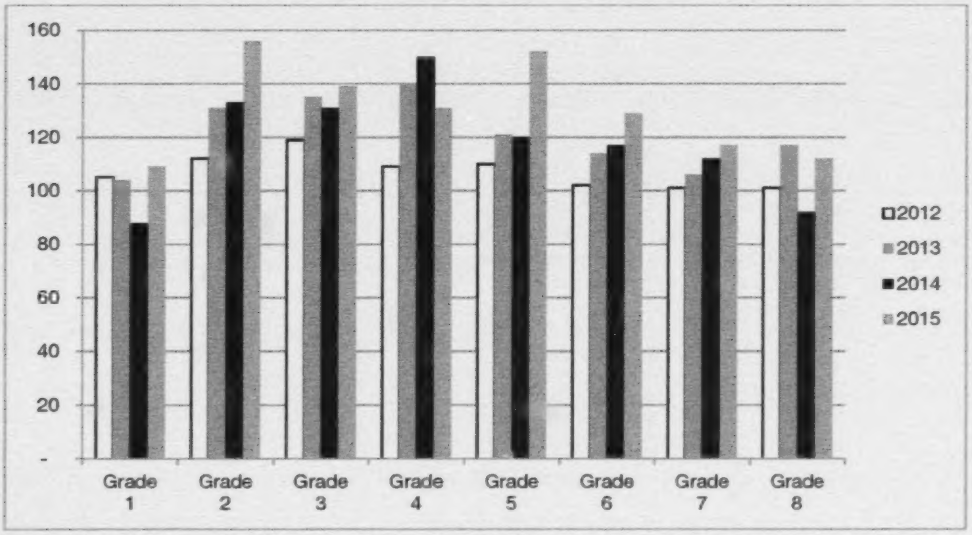
[13] Regina Roman Catholic Separate School Division No. 81, EAL Enrolment Data for May 2016.

Regina Catholic offers EAL programs at each of its 23 elementary schools. Providing EAL programs at each elementary school enables students to learn English and curriculum at their neighbourhood school and in their local community.[16]

Regina Catholic informs immigrant families about its EAL programs through the operation of the Newcomer Welcome Centre in partnership with two other school divisions[17] and the Regina Open Door Society.[18]

From 2012 to 2015, enrolment in Regina Catholic's EAL programming had increased by 22% as compared to the provincial increase of 38%. As reflected in **Figure 3**, Regina Catholic's EAL programming enrolment has increased for each grade with the most significant increases in Grades 2 and 5.

Figure 3—Number of Regina Catholic Students Registered in EAL Programming^A



Source: Ministry of Education – Student Data System as of September 30, 2015.
^A Total Grades 1 to 8 Regina Catholic students registered in EAL programming during 2012-2015 were as follows: 2012: 859; 2013: 968; 2014: 943; 2015: 1,045.

Academic achievement during elementary school is essential to student success in high school. Not having effective processes to provide EAL programming to immigrant students in Kindergarten to Grade 8 places students at greater risk of not achieving their academic potential. Students may then be unable to effectively contribute to society and ultimately the economy of Saskatchewan as they may have limited employment opportunities.

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[14] Adapted from information provided by Regina Roman Catholic Separate School Division No. 81.
[15] Regina Roman Catholic Separate School Division No. 81, EAL Enrolment Data for May 2016.
[16] Regina Roman Catholic Separate School Division No. 81, *English as an Additional Language Brochure.*
[17] Regina School Division No. 4 and Conseil scolaire fransaskois.
[18] The Regina Open Door Society is a non-profit organization that provides settlement and integration services to refugees and immigrants to help them transition to life in Regina.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of Regina Catholic's processes for the period April 1, 2015 to June 30, 2016, to provide EAL programming to support the academic success of immigrant Kindergarten to Grade 8 students.

For the purposes of this audit, EAL programming is designed to help students whose first language is not English develop their English-language skills to enable them to succeed in school. We did not assess whether EAL students received sufficient EAL support.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Regina Catholic's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. Regina Catholic's management agreed with the criteria (see **Figure 4**).

We examined relevant legislation, Ministry and sector-wide guidance, and Regina Catholic's guidance and documentation related to EAL programming. We interviewed staff at Regina Catholic's Division Office and at six schools (i.e., superintendent, EAL consultant, principals, EAL teachers, classroom teachers). We tested a sample of EAL student files (e.g., cumulative records).[19] We worked with Regina Catholic to respect the confidentiality of student information throughout our procedures.

Figure 4—Audit Criteria

1. **Forecast needs for English as an Additional Language programming**
    1.1 Determine program needs (e.g., levels of proficiency, nature of needs and supports, numbers of students with English-language needs)
    1.2 Identify resources available (e.g., qualified teachers, funding, tools, supports)
    1.3 Analyze the gap between existing resource capacity and program needs
2. **Implement English as an Additional Language programming**
    2.1 Design English-language programming to address gaps
    2.2 Set English-language proficiency benchmarks (e.g., amount of time for students to achieve proficiency)
    2.3 Use consistent methods to assess English-language proficiency (e.g., standardized measurement processes)
    2.4 Monitor progress of students' proficiency relative to benchmarks
    2.5 Take action when student progress is not achieved (e.g., additional resources, supports)
3. **Monitor delivery of English as an Additional Language programming**
    3.1 Assess delivery of the programs (e.g., obtain feedback, assess tools and supports used)
    3.2 Adjust programs as necessary
    3.3 Communicate results (i.e., senior management, Ministry, parents)

We concluded that for the period April 1, 2015 to June 30, 2016, Regina Roman Catholic Separate School Division No. 81 had, except in the following areas, effective processes to provide English as an Additional Language programming to support the academic success of immigrant Kindergarten to Grade 8 students.

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[19] Cumulative record is a file that compiles information about a student from year to year that is maintained by the schools the student attends from Kindergarten to Grade 12.

Regina Roman Catholic Separate School Division No. 81 needs to:

- **Annually reassess its estimate for Kindergarten to Grade 8 EAL student enrolment**
- **Rationalize the number of Kindergarten to Grade 8 EAL teachers required for its EAL program**
- **Periodically analyze results of the Kindergarten to Grade 8 EAL program**

In addition, it needs to give its Board of Education periodic reports on the success of the Kindergarten to Grade 8 EAL program.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out the criteria (expectations) in *italics* and our key findings along with related recommendations.

4.1 Improved Forecasting and Analysis Required to Inform EAL Program Decisions

We expected that Regina Catholic would determine program needs (e.g., levels of proficiency, nature of needs and supports, numbers of students with English-language needs). We expected Regina Catholic to identify resources available (e.g., qualified teachers, funding, tools, supports). We also expected the Division to analyze the gap between existing resource capacity and program needs.

4.1.1 EAL Program Forecasting Needs Revision

Determining EAL Students' English-Language Proficiency and Current Needs

When immigrant families register their children in a Regina Catholic school, Division staff assess the English-language proficiency of each child at the Newcomer Welcome Centre using the Common Framework of Reference (CFR) (see **Figure 5**). The CFR includes six levels of proficiency. See **Section 4.2** for a further description of the CFR methodology.

Figure 5—CFR Levels: English-Language Proficiency Benchmarks

A1.1 – Student can understand and use very basic phrases to satisfy personal needs.
A1.2 – Student can interact in a simple way provided the other person helps them by talking slowly and clearly.
A2.1 – Student can understand basic information relevant to personal and family needs.
A2.2 – Student can describe in simple language his/her background and interests.
B1.1 – Student can understand the main points about familiar topics.
B1.2 – Student can describe experiences and give explanations for opinions.

Source: Adapted from *A Guide to Using the Common Framework of Reference (CFR) with Learners of English as an Additional Language*, p. 4.

Division staff indicated that they also interview the students' families upon registration to help identify EAL supports required. For student files of 39 EAL students we sampled, the Division measured each student's initial English-language proficiency using this methodology.

The Division's EAL program needs are driven, in part, by the number of EAL students and their English-language proficiency level. We found EAL teachers assess and track each student's CFR levels and the type of support provided throughout the school year. We also found EAL teachers reported this information monthly to the Division, along with enrolments, by school, on standardized forms. At the end of each school year, the Division updates the Ministry's Student Data System[20] with EAL students' CFR levels.

We found that Regina Catholic does not forecast individual EAL students' progress to English-language proficiency because of the following. The Division recognizes each student's EAL progress depends on many factors, including the student's literacy in their first language, the number of years they have attended school, and the pace of individual student progress throughout the school year. Not forecasting individual EAL student progress is consistent with best practice. Literature indicates some students may take between five to seven years to become proficient in an additional language.[21]

Forecasting EAL Student Enrolment Not Producing Reliable Estimates

The Division informally estimates future EAL Kindergarten to Grade 12 (K-12) student enrolment in conjunction with its forecasting of overall student enrolment. To forecast overall student enrolment, the Division engages an external consultant to provide it with predicted trends in overall future student growth.

To estimate future EAL K-12 student enrolment, the Division considers historical changes in EAL student enrolment, population data from external parties (e.g., Saskatchewan Immigrant Nominee Program, Sask Trends Monitor), and local school administrator knowledge (e.g., the number of students enrolled in Pre-Kindergarten). The Division noted it revisits its forecast assumptions at the end of each school year. It also noted that it finds forecasting EAL student enrolment challenging. For instance, an increasing immigrant population in Regina does not always mean families register their children in Regina Catholic schools.

We found Regina Catholic informally forecasts increases in K-12 EAL student enrolment of about 300 to 350 EAL students each year. The Division noted that it determined this range based on analyzing its year-end enrolment reports for the last three to five years.

We found the Division did not revise its estimated range of increases in enrolment even though significant differences existed between its estimated and actual enrollment increases. As shown in **Figure 6**, for the last four years, the Division's estimated annual increase remained unchanged at between 300 to 350 students. Over the same period, we found that for two of those four years, the actual year-over-year increases in EAL student enrolment was over 30% higher than its estimate, and was 9% higher for one other year.

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[20] The Student Data System is a database used for the administration and reporting of Kindergarten to Grade 12 student demographics, enrolment, registration, and marks.
[21] Ministry of Education, *A Guide to Using the Common Framework of Reference (CFR) with Learners of English as an Additional Language*, (2013), p. 11.

Figure 6—Regina Catholic's EAL Student Enrolment Estimate and Actuals

School Year	EAL Enrolment Increase Estimate (K-12)	Actual EAL Enrolment Increase (K-12)	Difference^	% Difference
2012-13	300-350	486	136	38.9%
2013-14	300-350	477	127	36.3%
2014-15	300-350	382	32	9.1%
2015-16	300-350	305	-	-

Source: Adapted from information provided by Regina Catholic. The Division does not separately forecast EAL enrolment for Kindergarten to Grade 8.
^ Difference between actual increase and top of the range of estimated increase.

Reliable estimates of student enrolment would provide Regina Catholic with better information to help it determine resources (teachers and other supports) needed for EAL programming. Without reliable forecasts of students, it may not assign the right amount of resources to provide EAL students with appropriate support.

1. **We recommend that Regina Roman Catholic Separate School Division No. 81 annually reassess its estimate for Kindergarten to Grade 8 English as an Additional Language student enrolment.**

4.1.2 Determination of EAL Teaching Resources Not Documented

Credentials for EAL Teachers Set

Regina Catholic requires EAL teachers to have a teaching degree, and preferably be specialized in teaching EAL (e.g., hold a Master's degree, specialization in linguistics, speak a second language). It provides Regina Catholic EAL teachers with training to teach EAL (e.g., using the Teaching English as a Second Language [TESL] and Sheltered Instruction Observation Protocol [SIOP] methodologies).[22] We found that the Division's Kindergarten to Grade 8 (K-8) EAL teachers each received training in using SIOP.

Basis of the Number of Teachers Assigned to EAL Program Not Documented

Regina Catholic identifies resources available for its EAL programs through its annual budgeting process. During its budget process, it decides on the number of EAL staff, nature and extent of professional development for those staff, and other EAL resources (e.g., computer programs, books).

During the 2015-16 school year, the Division had an EAL consultant, 11 FTE EAL teachers (7.5 FTEs assigned to Kindergarten to Grade 8), and an instructional assistant to deliver EAL programs (see **Figure 7**).

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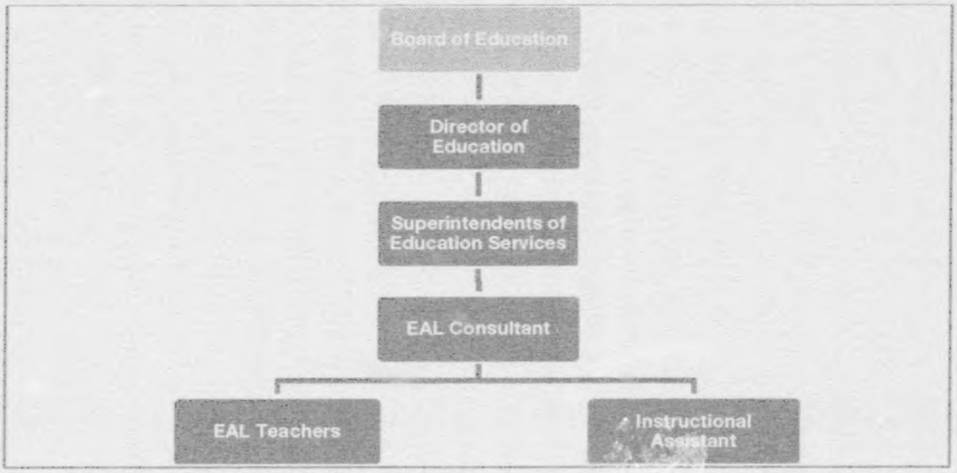
[22] See **Figure 10** for description of TESL and SIOP models.

Regina Catholic K-8 EAL teachers work in multiple schools to provide support to EAL students in the Division. They provide EAL students assessed at CFR levels at or below B1.2 with direct support (e.g., in-class support, pull-out support).[23]

Figure 7—Regina Catholic's EAL Organizational Chart



Source: Adapted from information provided by Regina Catholic.

As shown in **Figure 8**, 7.5 FTE EAL teaching positions for the 2015-16 school year[24] reflected an increase of 1.4 FTEs from the 2014-15 school year—an increase of 23%. This increase reduced the total EAL student-to-teacher ratio from 299:1 at the end of the 2014-15 school year to 242:1 at the beginning of the 2015-16 school year. Over the same period, it reduced the ratio of EAL students requiring direct support to teachers from 158:1 to 129:1.[25]

Also as shown in **Figure 8**, from the end of the 2014-15 school year to the end of the 2015-16 school year, Regina Catholic increased its total number of Kindergarten to Grade 8 teachers by 9.6 FTE (i.e., 3.4%). Division officials advised us that the Division did not increase its overall teaching staff to accommodate the increased need for EAL teachers. Rather the Division may reassign existing classroom teaching positions to EAL teaching positions as necessary. The Division acknowledged that increasing the number of EAL teachers by reducing the number of classroom teachers increases the student-teacher ratio in classrooms.[26]

Regina Catholic noted that it had identified the need for additional EAL teachers for the 2015-16 school year based on increases in the number of EAL students over the 2014-15 school year, and its forecasted increase of EAL students for the 2015-16 school year.

We found this consistent with the increases in total number of EAL students and number of students requiring direct EAL supports as shown in **Figure 8**. As illustrated in **Figure 3**, each year since 2012, EAL student enrolment has increased at Regina Catholic.

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[23] Per *A Guide to Using the Common Framework of Reference (CFR) with Learners of English as an Additional Language*, students assessed above CFR level of B1.2 can work more independently on improving English-language proficiency.

[24] The school year runs from September to June. Regina Catholic uses the number of EAL students at the end of June as the basis of the start of its next school year.

[25] Regina Catholic advised us that it does not base the number of teachers allocated to the EAL program on EAL student/teacher ratios.

[26] Regina Catholic noted that increasing the number of EAL teachers may also reduce the number of support staff (e.g., learning resource teachers, counsellors) available.

However, as noted in **Section 4.1.1**, we found the Division often underestimated the annual increase in the number of EAL students.

While Regina Catholic had increased resources for EAL programming in the 2015-16 school year to help address increases in the number of EAL students, it did not assign resources to make sure all EAL students assessed as requiring EAL support would receive it.

As shown in **Figure 9**, at the beginning of the 2015-16 school year, 145 K-8 EAL students assessed as requiring support did not receive it (i.e., 14.9% of total K-8 EAL students). At the beginning of the 2015-16 school year, Regina Catholic did not develop specific plans to address the needs of these students. As described below, the Division reassigns EAL teachers among its schools during the year.

Also, the Division was unable to provide us its analysis or explain to us its basis for the number of EAL teachers, how it determined the increase of 1.4 FTE in EAL teachers for the 2015-16 school year, or how it determined whether its existing EAL teacher complement of 7.5 FTE was sufficient.

Figure 8—Regina Catholic Kindergarten to Grade 8 EAL Student-Teacher Ratios

School Year	K-8 Teachers FTE	EAL K-8 Teachers FTE	Total # of K-8 EAL Students	EAL Student-Teacher Ratio	# of K-8 EAL Students Requiring Direct Support	EAL Student Requiring Direct Support-Teacher Ratio
End of 2014-15 school year	281.1	6.1	1,825	299:1	961	158:1
Beginning of 2015-16 school year	291.2	7.5	1,816	242:1	970	129:1
End of 2015-16 school year	290.7	7.5	2,002	267:1	1,009	135:1
% change (between end of school years)	3.4%	23.0%	9.7%		5.0%	

Source: Adapted from information provided by Regina Catholic.

Typically, Regina Catholic does not change the number of teachers it has assigned to the EAL program during the school year. As shown in **Figure 8**, the number of EAL teachers assigned during the 2015-16 school year remained constant at 7.5 FTE.

Regina Catholic knows the need for EAL programs continually changes throughout the school year because of its continuous intake of students and changes to individual EAL students' English-language proficiency. To monitor these changes, the Division required EAL teachers to submit (using standardized forms) monthly information. Monthly reports included information about enrolments, types of support provided, and EAL students' CFR levels, by school. Each month, the Division tracked the total number of EAL students by school, number of EAL students that teachers had identified as requiring direct EAL support, and number of those students not receiving direct EAL support.

As shown in **Figure 9**, during the 2015-16 school year, the Division's K-8 EAL student enrolment increased by 10% (i.e., 186 students) with a 4% increase in the number of EAL students requiring direct support.

To respond to changing EAL program needs, the Division uses its monitoring of actual EAL student enrolment to reassign EAL teachers among its schools during the school year.

We found, during the 2015-16 school year, for three elementary schools, the Division increased each school's EAL teacher time by a half day. These schools had the following changes to the number of their EAL students from the beginning of the school year:

- One school had an increase of eight EAL students
- Another school had an increase of three EAL students
- The third school had no change in the number of EAL students

To achieve the increase in EAL teacher time assigned to each of these schools, the Division reduced EAL teacher time in a school with a decreased number of EAL students since the start of the school year, and reduced EAL teacher administration time. Regina Catholic indicated that it reassigns EAL teacher time based on the needs of EAL students (e.g., English-language proficiency). The Division was unable to provide us with analysis to support its EAL teaching reassignment decisions during the 2015-16 school year.

Figure 9—Number of Regina Catholic Kindergarten to Grade 8 EAL Students Not Receiving Direct Support

School Year	Total Number of EAL K-8 Students	# of EAL K-8 Students Requiring Direct Support	# of EAL K-8 Students Requiring but Not Receiving Direct Support	% of K-8 EAL Students Requiring but Not Receiving Direct Support
End of 2014-15 school year	1,825	961	270	28.1%
Beginning of 2015-16 school year	1,816	970	145	14.9%
End of 2015-16 school year	2,002	1,009	96	9.5%
Change between end of school years	177	48	(174)	
% change between end of school years	9.7%	5.0%	(64.4)%	
Change during 2015-16 school year	186	39	(49)	
% change during 2015-16 school year	10.2%	4.0%	(33.8)%	

Source: Adapted from information provided by Regina Catholic.

The Division kept its Board of Education (Board) aware, throughout the school year, of the number of EAL students requiring but not receiving direct support. As shown in **Figure 9**, while this percentage improved throughout the 2015-16 school year, at the end of the 2015-16 school year, 96 K-8 EAL students assessed as requiring direct support (i.e., 9.5% of total K-8 EAL students) did not receive such support. At June 30 2016, Regina Catholic did not have specific plans to address the needs of these students. In October 2016, the Division indicated that it plans to offer SIOP training to classroom teachers at schools with increased EAL student enrolment.

Not having sufficient EAL teachers could result in EAL students not progressing in their English-language acquisition. The longer it takes EAL students to learn English, the harder it is for them to succeed in their academic studies, which can impact when and if they graduate.

2. We recommend that Regina Roman Catholic Separate School Division No. 81 rationalize the number of Kindergarten to Grade 8 EAL teachers required for its English as an Additional Language program.

Other EAL Resources Determined

The Division's EAL Consultant determines the Division's other EAL resources used to deliver its EAL programs (see **Figure 10**) through discussions with teachers and research (e.g., networking with other school divisions).

Figure 10—Other EAL Resources

EAL Program Manual – includes descriptions of Common Framework of Reference levels, roles and responsibilities for EAL staff, and EAL program-related forms (e.g., EAL student support plan). EAL staff can use this manual to help design EAL programming.

Teaching English as a Second Language (TESL) – internationally recognized certification for teaching English as an Additional Language.

Sheltered Instructional Observation Protocol (SIOP) Model – methodology of teaching EAL students to help deliver the curriculum while they develop English-language proficiency. The Division trains its EAL teachers and some classroom teachers on this methodology. The SIOP Model is used by the four major urban school divisions in Saskatchewan.

Settlement Support Workers in Schools (SSWIS) – SSWIS is an outreach program co-ordinated by the Regina Open Door Society that operates in schools to help immigrant students and their families settle into their school and community.

EAL Library – is located at the Division office and includes bilingual dictionaries and bilingual books that EAL teachers can provide to EAL students to help improve English-language proficiency.

Source: Adapted from information provided by Regina Catholic.

4.2 Individual Student EAL Programming Designed to Achieve Benchmark Level of English-language Proficiency and Division Tracks Progress

We expected that Regina Catholic would do the following. It would design English-language programming to address gaps in English-language proficiency levels of individual students. It would set overall English-language proficiency benchmarks. It would use consistent methods to assess individual students' English-language proficiency. We also expected Regina Catholic would monitor progress of students' proficiency relative to benchmarks and take action when student progress is not achieved.

Regina Catholic uses two methodologies to assess the English-language proficiency of students whose first language is not English—the Common Framework of Reference (CFR) and the Woodcock-Muñoz Language Survey – Revised test (Woodcock-Muñoz test).

- CFR is based on the Common European Framework of Reference (CEFR) for languages, first officially published in 2001 after three decades of research on language teaching, learning, and assessment.[27] The CEFR has validity and reliability as a global scale of reference; many countries around the world use CEFR. In January 2010, the Council of Ministers of Education in Canada recommended use of the CEFR as a reference tool for languages in Canada.[28] As shown in **Figure 5**, the CFR uses six levels of proficiency.

- The Woodcock-Muñoz test measures proficiency in reading, writing, listening, and language acquisition. Division staff can use the Woodcock-Muñoz test for further assessing English-language proficiency, making modifications to EAL student support plans, and investigating learning difficulties.[29]

The Division's EAL Program Manual sets out a number of expectations for personnel involved in the design, delivery, and monitoring of EAL programming. The Division expects EAL teachers to:

- Design EAL programming specific to individual EAL student needs using guidance from the manual along with the results of EAL students' assessments.

- Regularly monitor student progress relative to benchmarks and student's peers, using approved assessment methodologies, and report student's progress (e.g., report cards) to students and parents.

- Modify support provided to students depending on the student's progress (or lack of progress). Typical modifications include providing pull-out support (e.g., EAL teacher provides student with support outside of the classroom), or offering small group reading programs.

- Create student-specific EAL support plans at the end of each school year to document the EAL supports students received during the year, and help guide the support that may be required in the upcoming year.

- Maintain a file for each EAL student for inclusion in the student's cumulative record (student file). Per the Ministry of Education's *Student Cumulative Record Guidelines*, student files are to include results of assessments that inform program planning for students. This would include EAL assessments (i.e., CFR, Woodcock-Muñoz test) and EAL support plans.

We found that Regina Catholic has set a desired overall English-language proficiency benchmark for each EAL student based on one of its two English-language proficiency methodologies—a benchmark of CFR level B1.2. This benchmark is consistent with guidance provided by the Ministry.

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[27] Ministry of Education, *A Guide to Using the Common Framework of Reference (CFR) with Learners of English as an Additional Language*, (2013), p. 2.

[28] Ibid.

[29] Woodcock-Muñoz tests are to be administered not less than six months apart.

EAL teachers monitor students with CFR levels above B1.2 to determine whether they require additional support as the student progresses through school. It intends to provide students with a CFR level at or below B1.2 with direct support. As noted in **Section 4.1.2**, in practice, the Division does not provide direct EAL support to all students assessed as requiring it (i.e., students with a CFR level at or below B1.2). Regina Catholic was unable to explain to us how it was decided which students were not provided with direct support.

For student files of 39 EAL students we tested:

- The Division measured each student's initial English-language proficiency using the CFR, and most files included evidence of Woodcock-Muñoz assessments. We found that EAL teachers maintain a spreadsheet to track current English-language proficiency and the supports provided to these EAL students.
- Four files did not contain a current EAL support plan, but in each case, the individual student's CFR level and the type of support provided (e.g., in-class support) was tracked on the monthly reports EAL teachers prepared and provided to the Division Office.
- Each file contained information showing the assessing and monitoring of student progress (e.g., report cards, EAL progress reports, CFR assessments).
- Each file included evidence of modifications (e.g., pull-out support, small group reading programs) made to EAL student support plans, where applicable (e.g., modifications provided to EAL students where their CFR level did not increase).
- Each file showed Regina Catholic regularly communicated EAL students' progress and results to students and parents through report cards (distributed in November, March, and June) and letters home to parents.

Thereby, based on the student files we tested, Regina Catholic did a reasonable job of providing EAL programming to individual students it provided with direct support.

4.3 Analysis of EAL Program Results Needed

We expected that Regina Catholic would assess delivery of the programs (e.g., obtain feedback, assess tools and supports used) and adjust programs as necessary. It would also communicate results of the program.

Regina Catholic uses primarily informal mechanisms to assess the delivery of its EAL programs.

We found that the EAL Consultant facilitated regular meetings with EAL teachers including discussions about programming and feedback about resources (e.g., library resources, translation software). The Division told us it also obtained informal feedback from principals and EAL teachers about the EAL program (e.g., discussions at monthly administration meetings). Division staff we interviewed felt that more EAL teaching time would benefit students, but felt the EAL program was effective given the number of EAL teachers assigned.

The Division last conducted a survey of school administrators to obtain feedback on the EAL program in 2010. At June 2016, it did not have plans for another survey.

The Division has made significant changes to its EAL program since 2010 and its EAL student enrolment has grown significantly since then. For example, as shown in **Figure 3**, from 2012 to 2015, enrolment in Regina Catholic's EAL programming increased by 22%.

We found that, each month, the Board received information on EAL student enrolment (e.g., number of EAL students per school, number of students receiving and not receiving needed support).

In January of 2016, it received information about EAL staffing comparisons among the four major urban school divisions in Saskatchewan.[30] This comparison indicated Regina Catholic had a higher EAL student to teacher ratio[31] than the other school divisions. The report also indicated Regina Catholic management did not know how comparable the responsibilities of EAL teaching positions were across the divisions (e.g., whether EAL teachers of other divisions had responsibilities in addition to delivering EAL programming).

While the Division expects individual students to succeed, it has not set overall expectations or goals specifically for its EAL program (e.g., percentage of EAL students progressing, percentage of students achieving B1.2 over a period of time). Without clear program expectations, the Division cannot assess the overall success of its EAL program (e.g., percentage of students progressing, struggling, or achieving CFR level B1.2, graduation rates of EAL students).

This information would help the Division and the Board to periodically (e.g., every three to five years) evaluate the successful delivery of the program (e.g., if expectations were met), identify challenges (e.g., sufficient EAL instruction resources) and resulting program changes (e.g., other supports or resources).

3. **We recommend that Regina Roman Catholic Separate School Division No. 81 periodically analyze the results of the Kindergarten to Grade 8 English as an Additional Language program.**

4. **We recommend that the Regina Roman Catholic Separate School Division No. 81 provide its Board of Education with periodic reports on the success of the Kindergarten to Grade 8 English as an Additional Language program.**

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[30] The four major urban school divisions in Saskatchewan are Regina Catholic, Regina School Division No. 4, Saskatoon School Division No. 13, and St. Paul's Roman Catholic Separate School Division No. 20.

[31] The comparison reported number of EAL students requiring direct support.

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Chapter 30
Western Development Museum—Permanently Removing Historical Artifacts

1.0 MAIN POINTS

Determining which artifacts to remove from a museum collection and when is key to effectively maintaining and managing museum collections. Actively removing artifacts helps make preservation of artifacts manageable, relieves storage space pressures, and as such, helps control costs.

The Western Development Museum (WDM) is Saskatchewan's largest human history museum. WDM had, other than in the following areas, effective processes to permanently remove historical artifacts from its collections. WDM needs better guidance to help it systematically identify and select artifacts for removal. Use of the information in its collections database would aid it in these decisions. In addition, it needs to reinforce its expectations of staff to actively participate in identifying artifacts for removal.

2.0 INTRODUCTION

Under *The Western Development Museum Act* (Act), WDM is responsible for collecting, preserving, restoring, and exhibiting objects of historical value and importance to Saskatchewan and for their disposal.[1] The Act gives WDM's Board of Directors the authority to manage its collections.

This chapter reports the results of our audit of the effectiveness of WDM's processes to permanently remove historical artifacts from its collections.

WDM is the largest human history museum in Saskatchewan with a collection of over 75,000 artifacts.[2] Since its creation in 1949,[3] WDM has collected and displayed artifacts of artistic, cultural, historical, or scientific significance to the province. The majority of the artifacts are of historical value and importance connected with the economic and cultural development of western Canada. Now the museum focuses on collecting artifacts representative of Saskatchewan's human history from the beginning of the settlement period (circa 1870) to the present date.

WDM has four exhibit locations—Moose Jaw, North Battleford, Saskatoon, and Yorkton. Respectively, each location focuses on a different theme: transportation, agriculture, economy, and people. Each year, WDM has over 200,000 visitors to its four locations.[4]

WDM has a Cabinet-appointed board of directors and a staff of about 50 full-time employees including a Collections Curator who has primary responsibility for managing the collection.

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[1] Sections 12 and 17 of *The Western Development Museum Act*.
[2] Western Development Museum, *2015-16 Annual Report*, (2016), p. 24.
[3] www.wdm.ca/AboutUs/index.htm (4 July 2016).
[4] Western Development Museum, *2015-16 Annual Report*, (2016), p. 6.

Government grants are its primary source of revenue.[5] Over the last five years, it has received about $4.1 million in grants from the Saskatchewan Ministry of Parks, Culture, and Sport each year.

In 2015-16, WDM spent almost one-third of its $5.8 million revenue on its curatorial services[6] including about $167 thousand on exhibits and collections.[7] At March 31, 2016, WDM had net financial assets of $1.9 million (2015: $2.1 million), and tangible capital assets (comprised primarily of buildings) with a net book value of $6.4 million (2015: $6.3 million).[8]

Although WDM collects with a view to permanency, it recognizes it may need to remove artifacts from its collections on occasion.[9] It acknowledges its large collection and the continual growth in its collection places pressure on available storage space and that it is unlikely that it will secure additional storage space.[10]

A key part of managing collections is determining which artifacts to remove from a collection and when.[11] Not actively removing artifacts from its collections can create risks for future acquisitions.

Without effective processes for actively removing artifacts, WDM may face storage space pressures, unmanageable preservation or storage costs, and impair its ability to maintain its collections.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of the Western Development Museum's processes, for the period of January 1, 2014 to August 15, 2016, to permanently remove historical artifacts from its collections.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate WDM's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. WDM's management agreed with the criteria (see **Figure 1**).

We examined WDM's documentation related to artifacts' removal processes (e.g., legislation, removal policies and procedures, selection criteria for removal). We compared WDM's policies and procedures to external guidelines and practices (e.g., *Canadian Museums Associations Ethics Guidelines*, Smithsonian Collection management policies). We also interviewed WDM's staff responsible for removal of artifacts. In addition, we sampled removed-artifact files to assess whether the removals followed established removal processes.

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[5] In 2015-16, provincial government and other grants made up 74% of WDM's total revenues (2014-15: 72%).

[6] Curatorial services including education/extension, collections, conservation, exhibits, research, fundraising, marketing, and technical services.

[7] Western Development Museum, *2015-16 Annual Report*, (2016), Audited financial statements, p. 37.

[8] Ibid., p. 36.

[9] Western Development Museum, *Collection Management Policy*, p. 6.

[10] WDM officials (July 2016).

[11] *Canadian Museums Association Ethics Guidelines*.

Figure 1—Audit Criteria

1. **Set policies for removal of artifacts from its collections**
    - 1.1 Maintain clear written policies for removal of artifacts (e.g., aligned with relevant Guidelines, transparent, fair disposal)
    - 1.2 Establish criteria for removal of artifacts that align with mandate and acquisition policies (including authorization)
    - 1.3 Establish criteria to select preferable methods of disposal
    - 1.4 Communicate policies for removal of artifacts

2. **Identify relevant artifacts for potential removal**
    - 2.1 Actively assess collections to identify potential artifacts for removal
    - 2.2 Establish artifact removal plans
    - 2.3 Obtain appropriate approval for removal plans

3. **Remove artifacts in accordance with policies**
    - 3.1 Document removal method
    - 3.2 Prepare artifacts for removal
    - 3.3 Record removals appropriately (e.g., enter in system, timely, accurately)
    - 3.4 Dispose of artifacts (e.g., in accordance with method, timely)
    - 3.5 Use proceeds from removal of artifacts appropriately (e.g., in accordance with Guidelines)

We concluded that for the period of January 1, 2014 to August 15, 2016, the Western Development Museum had, except in the following areas, effective processes to permanently remove historical artifacts from its collections. The Western Development Museum needs to:

- **Have explicit guidance on systematically identifying artifacts for removal from its collection**
- **Use information in its collection database to analyze its collection to aid deaccessioning and disposal decisions**
- **Conduct a systematic review of its collections to identify artifacts for removal**
- **Reinforce expectations of staff to actively assist in identifying artifacts for removal**
- **Dispose of deaccessioned artifacts within established timeframes**

In addition, it needs to comply with its policies and obtain Board approval of changes to its policies.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we describe our key findings and recommendations related to the audit criteria in **Figure 1**.

4.1 Policies Need to More Closely Align with External Guidelines and Practices

4.1.1 Collections Management Policy Maintained

Although museums collect artifacts with a view to permanency, occasions exist where artifacts need to be removed from a collection, for a variety of reasons (e.g., duplication in the collection). Permanently removing artifacts from a museum's collections involves two key steps: deaccessioning and disposal.

- Deaccessioning is the process of removing artifacts from the museum's collections. Reasons for deaccessioning artifacts can include lack of relevance to the museum collections, artifact deterioration, inability to provide adequate artifact care, and insufficient or inadequate storage.
- Disposal is the act of physically removing deaccessioned artifacts from the museum or storage and relocating them elsewhere. Disposal options include transfer to another museum, sale, or physical destruction of deteriorated artifacts.

The Western Development Act (Act) gives the WDM Board the authority to dispose of property it has acquired including its collections.

WDM maintains a *Collections Management Policy* (Policy). This Policy is based on *Canadian Museum Association Ethics Guidelines* (CMA Guidelines). This Policy sets out how WDM is to develop and use its collection to achieve its mandate.[12] It provides direction on the acquisition of artifacts, use of collections, loans of artifacts, and their deaccessioning. In addition, as shown in **Figure 2**, the Policy sets out criteria to assist staff in determining when to deaccession artifacts from the collection.

Figure 2—WDM Deaccessioning Criteria

- Lack of relevance to the mandate, themes, and/or purposes of WDM
- Badly deteriorated and/or damaged physical condition beyond WDM's ability to restore
- Excessive duplication in the collection
- Consideration of restrictions on use placed by the donor, if any[A]
- Inability of the WDM to provide adequate care
- Physical hazard or health risk to the staff or public

Source: WDM *Collections Management Policy*.
[A] Typically, WDM does not accept donations with restrictions or conditions attached to them.

The Policy also provides direction on other key areas such as documenting reasons for deaccessioning, expectations to keep artifacts in the public domain if possible (e.g., transferring the artifacts to another museum), conflict of interest requirements of staff, use of proceeds received from sale of artifacts, and required approvals to remove an artifact from the collection.

The Policy outlines allowable disposal methods, as shown in **Figure 3**. Allowable disposal methods include transfer, sale, or destruction. The Policy states that, where possible, WDM should first attempt to transfer deaccessioned items to another public trust either by gift or sale. The Policy requires the Chief Executive Officer (CEO) to approve the disposal method, and funds generated from sale of artifacts be used to add to the collection or repair artifacts.

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[12] The intent of WDM's mandate is to procure tools, machinery, implements, engines, devices, and other goods and chattels of historical value and importance; to collect, arrange, catalogue, preserve, and exhibit to the public these tools; to stimulate interest in the history of the economic and cultural development of the province; and to co-operate with organizations having similar objects.

Figure 3—Allowable WDM Disposal Methods

Allowable Disposal Method	Description of Method
Transfer	Transfer to non-profit public museums or organizations having similar objectives. (Preferred method of disposal)
Sale	Advertised public sale
Destruction	Destruction of item (Method is to be used when deaccessioned artifacts are badly damaged, for those artifacts with no monetary value and which cannot be placed through transfer or sale, or if they are dangerous to staff and/or the public)

Source: WDM *Collections Management Policy*.

WDM gives staff ready access to all WDM policies and procedures including the *Collections Management Policy* through its intranet (i.e., a share point site).

4.1.2 Board Approval of Changes to Policy Needed

WDM's Board policy makes the Board responsible for approving policies and revisions.[13]

WDM's *Collections Management Policy* requires the Collections Curator to review the Policy on a regular basis to keep it current.[14]

Although the Policy was dated March 2013, management indicated that it revised the Policy in the spring of 2016. We found WDM did not keep documentation of these revisions or approval thereof. Management indicated senior management had approved these revisions; management did not seek its Board's approval of these revisions.

Not seeking Board approval of policy revisions is contrary to WDM's Board policy.

Board approval of policies confirms Board members agree that policies align with the organization's mandate and appropriately mitigate risks to the organization. Lack of Board approval of the policies and revisions increases the risk that inappropriate decisions may be made.

1. **We recommend that management follow established policies and seek approval of the Board of the Western Development Museum for revisions to policies.**

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[13] Western Development Museum, *Board Governance Policy*, (2016), p. 4.

[14] Per WDM's *Collections Management Policy*, the Collections Curator is responsible for the day-to-day oversight of the *Collections Management Policy*. The Collections Curator is responsible for recommending potential artifacts for removal to the CEO and Board.

4.1.3 Written Guidance on a Few Key Areas Needed

In its *Strategic Plan (2011-2016)*, WDM has outlined its need to review and update its *Collections Management Policy.* It also identified a need to have a collections plan with criteria for collecting and refining its collections through grading and deaccessioning. At mid-August 2016, it had not yet developed such a collections plan.

When we compared the Policy's requirements for removing artifacts from WDM's collection to the CMA Guidelines and other best practices (e.g., *Smithsonian Institution Collections Management Directive 600*), we found the following. While the Policy aligned in most cases, it did not contain the following:

- Systematically identify potential artifacts for deaccessioning and disposal—The *Smithsonian Institution Collections Management Directive 600* recommends periodic review, evaluation, deaccessioning, and disposal of existing collections to refine and improve the quality and relevance of the collections.

  WDM identifies potential artifacts for disposal primarily when moving artifacts or developing exhibits, as opposed to on a systematic basis. While WDM uses a computer database to keep key information about each of its artifacts; it does not use current information about its collections from the database to initiate deaccessioning or disposal of artifacts.

  A systematic deaccessioning review program helps manage space pressures, control costs, and keep collections relevant.

- Requirements for periodic (e.g., annual) reporting on deaccessioning and disposals to the Board—The *Smithsonian Institution Collections Management Directive 600* recommends annual reporting to the Board of deaccessions and disposals during the reporting period.

  Throughout the year, WDM management recommends to the Board artifacts to deaccession but they do not give the Board aggregated information on deaccessioning and disposal activities (e.g., number of disposals and method of disposal).

  Guidance on periodic reporting on deaccessioning and disposals helps the Board oversee these activities.

- Guidance on when staff should obtain independent appraisal of artifacts identified for disposal—The *Smithsonian Institution Collections Management Directive 600* recommends independent appraisals when estimated values of single collection items or group of collection items reach a pre-determined financial threshold (e.g., more than $10,000 requires an independent appraisal or informed estimate of fair market value).

  WDM management indicated it rarely disposes of artifacts of significant value to justify the costs of obtaining an independent appraisal.

  Knowing when to obtain independent appraisals helps ensure fair value is received for items of significant value.

- Public notification of disposal of artifacts—CMA Guidelines require museums to make public their intention of removal at least three months in advance of disposal. Public notice of dispositions shows transparency in collection management.

  WDM does not, in practice, notify the public of its disposals of artifacts unless it disposes of them through a public auction.

  Guidance on when to make public its intention to dispose of artifacts promotes transparency and reduces the risk of inappropriate disposal of artifacts.

2. We recommend that the Western Development Museum provide its staff with written guidance on:

- **Systematically identifying artifacts for removal from its collection**
- **Reporting aggregate artifact deaccessioning and disposal activities to the Board**
- **When to obtain independent appraisals of artifacts**

4.2 Meaningful Analysis of Collection Needed to Identify Potential Artifacts for Removal

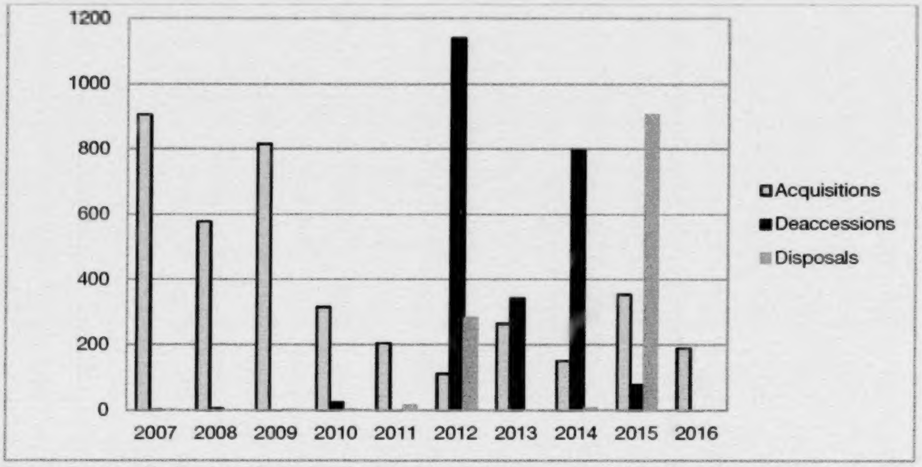
4.2.1 Lack of Regular Review of Collections May Contribute to Storage Issues

WDM's Strategic Plan (2016-2021) (Plan) includes a strategy to establish and refine an efficient, repeatable process for the deaccessioning of specific collection types. WDM had started a deaccessioning pilot project to systematically reduce its 1920's car collection. The Plan states that the removal of cars will reduce storage pressures and establish a process that may be applied to other collections.

As previously noted in **Section 4.1.3**, we found WDM identified items for deaccessioning when it moved artifacts or developed exhibitions. Management indicated that it bases its decision to recommend deaccessioning on the significance, condition, and history of ownership (provenance) of an individual artifact.

Figure 4 shows, over the past 10 years, WDM acquired 3,890 artifacts, deaccessioned 2,394 artifacts, and disposed of 1,222 artifacts. Deaccessioned artifacts continue to require storage until they are disposed of.

Figure 4—WDM Artifact Acquisitions, Deaccessions, and Disposals



Source: Developed by Provincial Auditor's Office based on information provided by WDM management.

WDM's trend of acquiring more artifacts than it disposes of has increased the size of its collection and is contributing to the storage pressures WDM is facing.

WDM stores about 65% of its artifacts (i.e., about 48,000 artifacts) at its Curatorial Centre[15] located in Saskatoon. In addition, WDM keeps many of its larger artifacts (e.g., wagons, plows) outside because of lack of available inside storage space. WDM officials note that given government-wide fiscal restraint, it is unlikely it will acquire sufficient additional resources to increase its existing storage space in the near term.

Outside storage can be a significant issue for artifact preservation as it can result in the deterioration of artifacts due to exposure to sunlight, heat, rain, and fluctuations in temperature. Lack of suitable or sufficient storage space increases the importance of systematically deaccessioning and disposing of artifacts.

Our review of artifacts listed in WDM's database identified numerous items with similar database descriptions (e.g., 239 gas tractors, 27 organs, 5 grand pianos). These similar database descriptions suggest these artifacts may potentially be duplicates. Deaccessioning best practice encourages museums with duplicate artifacts to consider whether the benefit of preserving duplicates outweighs the cost of preservation and storage.

Storing and caring for duplicate or similar artifacts without supporting analysis can waste scarce resources. Also, not having an active review process to evaluate the condition and relevance of artifacts increases the risks of having duplicate artifacts, deteriorating artifacts, and constant storage space pressures. An ongoing review of collections and active deaccessioning and disposal may help to refine and improve the collections to support WDM's mandate and reduce storage space pressures.

3. We recommend that the Western Development Museum systematically review its collections to identify potential artifacts for removal.

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[15] The Curatorial Centre co-ordinates programs for the four WDM branches and provides administration.

4.2.2 Expectations for Staff Consultation Need Reinforcement

WDM uses its Policy and job descriptions to assign responsibilities for artifact removal.

WDM assigns responsibility for the removal of artifacts primarily to the Collections Curator and expects other WDM staff to contribute to identifying artifacts for potential removal. For example, the Policy indicates that the Collections Curator may recommend artifacts for deaccessioning in consultation with relevant collections, research, conservation, exhibits, and education program staff. This would include staff who work at Museum locations and Curatorial Centre staff.

Our review of job descriptions for key positions with involvement in collections management activities found WDM had not finalized them (i.e., job description is still in draft) for many years. For example, the draft Collections Co-ordinator job description (which differs from the title of the current position) was last updated 30 years ago.

Although WDM's Policy expects involvement of many staff in deaccessioning, in practice, WDM museum technicians and managers indicated that they do not consider themselves responsible for identifying artifacts for potential removal. Rather, they considered this responsibility to rest solely with the Collections Curator. As such, they did not routinely suggest to the Curator artifacts that could be deaccessioned.

We also did not find evidence that the Collections Curator routinely consulted with staff at Museum locations to actively seek artifacts for deaccessioning. In addition, the Curator acknowledged she did not routinely visit Museum locations.

Staff at each Museum location have valuable and hands-on information on the condition of artifacts at their location. They are well-positioned to assist with identifying items for removal.

Reinforcing roles and responsibilities related to identifying artifacts for removal (e.g., through staff training and communications) would contribute to a consistent understanding of expectations and facilitate compliance with policy. Also, involvement of staff at Museum locations in deaccessioning would broaden the number of staff with knowledge about collections management and facilitate succession management.

4. **We recommend that Western Development Museum *Collections Management Policy* clarify its expectations of staff to actively assist in identifying artifacts for removal.**

5. **We recommend that the Western Development Museum update job descriptions of staff involved in collections management to reinforce their roles and responsibilities in deaccessioning and disposing of artifacts.**

4.3 Timely Disposals and Approvals Consistent with Policy Needed

As noted in **Section 4.1.1**, WDM defined criteria for the removal of artifacts and specified the allowable methods of disposal. As noted in **Figure 3**, the allowable disposal methods include transfer, sale, or destruction of artifact.

While WDM uses its database to query information about specific artifacts, it does not use it to generate reports to help it analyze its collection (e.g., identify deaccessioned but not disposed artifacts, identify possible duplicate artifacts, etc.). Use of such reports and analysis would contribute to a systematic review of its collections and inform decision making.

As noted in **Section 4.1.3**, WDM's policies should but do not include explicit guidance on systematically identifying potential artifacts for deaccessioning and disposing of them. As a result, it has not expected staff to establish when they planned to dispose of items (e.g., estimated date of disposal) or how timely it expected staff to dispose of artifacts approved for deaccessioning (e.g., within specified number of months from deaccessioning approval).

Based on a sample of artifact removals, we found:

- Deaccessioned artifacts were supported by documented rationale
- Rationale for decision to deaccession artifacts aligned with criteria outlined in the *Collections Management Policy*
- Deaccessioned artifacts received Board approval prior to deaccessioning
- Disposal methods applied aligned with allowable disposal methods in the *Collections Management Policy*
- For artifacts transferred to another museum, WDM entered into artifact release form agreements with recipient museum
- Deaccessions and disposals were properly recorded in the database system (e.g., the reasons for deaccessioning and disposal, Board approval, disposal method)

However, we found that artifacts approved as deaccessioned did not have a planned disposal date. For the artifact removals we examined, we found significant time lags between when the Board approved an artifact for deaccessioning and when the WDM disposed of the artifact. In our sample of 30 artifacts, 88% of the artifacts approved for deaccession in June 2014 were not disposed of at July 2016—25 months later.

Not tracking and disposing of artifacts within a reasonable timeframe results in storage space being needlessly occupied by artifacts approved as no longer part of the Museum's collections. It may also result in artifacts being restored inappropriately to the main collection. WDM should set and follow expectations for timely disposal of deaccessioned artifacts.

6. We recommend that the Western Development Museum use information in its collection database to analyze its collection to aid deaccessioning and disposal decisions.

7. We recommend that the Western Development Museum dispose of deaccessioned artifacts within an established timeframe.

In addition, we did not find evidence of the CEO's approval of any of WDM's disposals for the items we sampled as Policy expects. Management indicated the CEO was aware of artifacts disposed from January 2014 to August 2016 but acknowledged it did not have evidence of the CEO's awareness or approval.

Keeping support of required approvals enables staff to show awareness and compliance with policies. Not obtaining required approvals of artifact disposals increases the risk of staff using inappropriate artifact disposal methods.

8. We recommend that the Western Development Museum approve disposals of artifacts consistent with its *Collections Management Policy*.

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Chapter 31
Workers' Compensation Board—Co-ordinating Injured Workers' Return to Work

1.0 MAIN POINTS

This chapter describes the results of our audit of the Workers' Compensation Board's (WCB) processes to effectively co-ordinate workers' return to work. WCB works with the injured worker, employer, and health care professionals to get the worker back to suitable, productive employment. Return-to-work plans are an essential component of WCB's return-to-work program. They are a tool for WCB to help injured workers return to employment in a timely and safe manner.

For the 12-month period ended August 31, 2016, WCB had, other than the following, effective processes to effectively co-ordinate workers' return to work. WCB needs to:

- Consistently record its communications with injured workers, employers, and health care professionals; actively seek requested reports from them; and enhance its educational activities for them to increase submission of properly completed reports
- Verify the completeness and currency of return-to-work plans, obtain agreement from injured workers and employers with those plans, and address impediments to timely recovery
- Track and analyze key information about the quality and timeliness of its return-to-work program

2.0 INTRODUCTION

By law, WCB has the duty to consult and co-operate with injured workers in the development of rehabilitation plans intended to return them to positions of independence in suitable, productive employment.[1]

2.1 WCB's Return-to-Work Program

WCB delivers workplace insurance to Saskatchewan employers and benefits to Saskatchewan workers when they are hurt at work.[2] It has a return-to-work program as *The Workers' Compensation Act, 2013* (Act) expects. The Act recognizes injured workers, employers, health care professionals, and WCB must work together in the return-to-work program. It assigns responsibilities to each. For example, the Act requires:

- Injured workers to promptly report workplace injuries to their employer and WCB [s. 44(1)(a)], and take reasonable action to lessen earning loss resulting from an injury (s. 51). It expects them to co-operate with WCB in rehabilitation plans to support their return to work. Unionized injured workers may seek assistance from their union representatives.

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[1] Section 19(1) of *The Workers' Compensation Act, 2013*.
[2] www.wcbsask.com/about-wcb/ (2 October 2016).

- Employers to co-operate with WCB and the injured worker to achieve the early and safe return of the injured worker to his or her employment (s.53). Employers have a duty to accommodate injured workers by providing alternative duties compatible with any restrictions or limitations they may have.[3]
- Health care professionals (e.g., medical doctors, physiotherapists) to provide information, advice, and assistance necessary to facilitate the return of injured workers to work (s.55).

When employees are injured at work (injured workers), WCB either reimburses certain costs and wages lost or provides wage-loss benefits.

WCB refers to claims resulting from reported workplace injuries not resulting in any time lost by the injured worker as no-time-loss claims. For no-time-loss claims, WCB reimburses injured workers for travel costs to attend treatments and appointments, and either the injured worker or employer for wage loss resulting from the worker missing work to attend medical treatments or appointments.

WCB refers to claims resulting from reported workplace injuries where the injured workers cannot work as time-loss claims.[4] For time-loss claims, WCB provides injured workers with wage-loss benefits and reimbursement costs. As shown in **Figure 1**, over the last three years, the number of WCB's time-loss claims has decreased by about 17%, and the average duration of time loss has increased by 4.06 days. Saskatchewan's duration of time-loss claims is similar to the Canadian average duration of time-loss claims.[5]

As shown in **Figure 1**, WCB has two time-loss claim related targets. For the last five years, WCB has achieved its target of 95% of workers sustaining a time-loss injury returning to work. For the last two years, WCB has not achieved its target of 35.5 days in average duration of time loss in days.

Figure 1—Key Time-Loss Claim Statistics from 2011 to 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2015 Target
Number of claims reported	39,689	39,343	37,731	35,836	32,577	Not applicable
Number of time-loss claims accepted	11,516	10,774	10,116	9,715	8,417	
Number of no-time-loss claims accepted	21,378	22,607	20,996	18,441	17,137	
Number of fatality claims accepted	22	43	23	24	17	
Total number of claims accepted	32,916	33,424	31,135	28,180	25,571	

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[3] As specified under *The Saskatchewan Human Rights Code* [sections 9 and 16(1)], and *The Saskatchewan Employment Act* (sections 2-40 and 2-41).

[4] After the day of injury, if a worker is off work for their next regularly scheduled shift, this is called a time-loss claim. Taken from www.wcbsask.com/employers/managing-your-workers-injury/ (2 October 2016).

[5] Association of Workers Compensation Boards of Canada: www.awcbc.org/?page_id=9759 (28 September 2016).

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2015 Target
Average duration of time loss in days	34.44	38.89	34.88	37.01	38.92	35.5
Percentage of workers sustaining a time-loss injury returned to work	95%	97%	98%	97%	96%	95%

Source: Saskatchewan Workers' Compensation Board 2011-15 Stakeholders Reports.

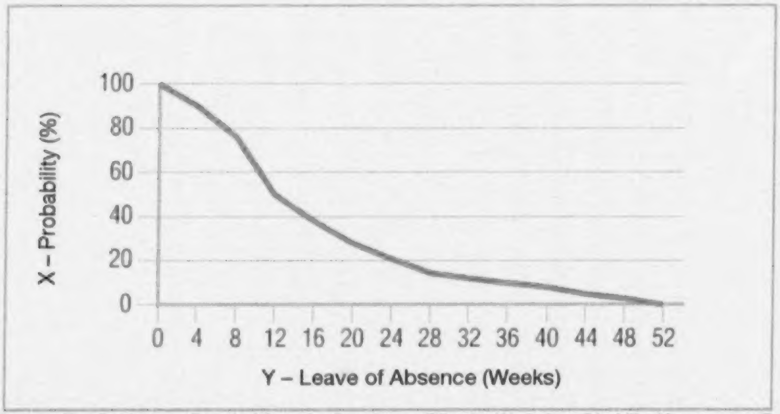
WCB has a goal to return all injured workers back to work—that is have injured workers return to their same job, to a modified or new job at the same employer, to a similar job at a different workplace, or to a different job at a different workplace.

2.2 Co-ordination Key to Effective Return-to-Work Programs

Injured workers who return to work soon after their injury usually recover faster. This reduces the physical and emotional impact for the injured worker and other employees. Employers also benefit from less workplace disruption and costs related to lost employee time.

According to the Treasury Board of Canada Secretariat's *Managing for Wellness*, 75% of injured workers return to work following an absence of 12 weeks or less while only 20% of injured workers return to work after a one-year absence. As shown in **Figure 2**, the Conference Board of Canada reports that the probability of an employee returning to work after a 52-week absence is low.

Figure 2—Probability of Employees Returning to Work After a Health-Related Leave of Absence



Source: The Conference Board of Canada, *Creating an Effective Workplace Disability Management Program*, (2013).

Having a return-to-work program contributes to timely recovery of injured workers and effective management of claims. Effective return-to-work programs assist injured workers in returning to work as soon as it is medically safe to do so. Returning to work may include returning to previous employment, alternative employment, or retraining for a new occupation.

Recovery and return-to-work plans (RRP) for seriously injured workers are a key component of an effective return-to-work program. RRPs help partners discuss and set expectations of each party to support a safe and as soon as possible return to work. Partners include the injured workers, employers, health care professionals (e.g., medical practitioners, physiotherapists, vocational rehabilitation therapists), and the insurer.

RRPs are most successful when they are established shortly after injury, and actively involve the injured worker, the employer, the health care professional, and the insurer in their preparation.[6] In addition, RRPs are most successful when each of these parties agree with the RRP and take an active role in its implementation.[7] Not doing so may delay the injured workers' return to the workforce as a productive employee. Time lost as a result of injury affects the injured workers, their employers, and are a cost to society.[8]

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of Workers' Compensation Board's processes, for the 12-month period ended August 31, 2016, to co-ordinate workers' return to work.

For the purpose of this audit, we refer to the recovery and return-to-work plan as RRP; the employer return-to-work plan as the employer portion of the RRP; and the health care professional return-to-work plan as the health care professional portion of the RRP.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the WCB's processes, we used criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. WCB agreed with the criteria (see **Figure 3**).

We examined WCB's guidance, policies, procedures, and reports that relate to injured workers' return to work. We assessed WCB's processes to effectively co-ordinate workers' return to work. We tested a sample of 30 injured workers' claims files of which 20 had a RRP. For the remaining 10 claims files, we determined whether they required a RRP. We preserve the confidentiality of claims information.

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[6] Institute for Work & Health, *Seven 'Principles' for Successful Return to Work*, (2007). www.iwh.on.ca/system/files/documents/seven_principles_rtw_2014_0.pdf (4 October 2016).

[7] Institute for Work & Health, *Red Flags Green Lights: A Guide to Identifying and Solving Return-to-Work Problems*, (2009). www.iwh.on.ca/system/files/documents/seven_principles_rtw_2014_0.pdf (4 October 2016).

[8] International Association of Industrial Accident Boards and Commissions, *Return to work: A foundational approach to return to function*, (2016). www.iaiabc.org/Document.asp?MODE=VIEW&DocID=4665 (4 October 2016).

Figure 3—Audit Criteria

Processes to:

1. **Engage partners in the return-to-work program**
    - 1.1 Identify key partners to participate (e.g., injured workers, employers, medical practitioners)
    - 1.2 Communicate and educate partners on responsibilities (e.g., duty to accommodate, legal privacy obligations)
2. **Support implementation of timely recovery and return-to-work plans**
    - 2.1 Provide appropriate direction and tools to partners and staff (e.g., education, templates, policies, procedures, target timelines)
    - 2.2 Facilitate development of recovery and return-to-work plans (e.g., collaborate with partners, set timelines)
    - 2.3 Obtain agreement from partners on recovery and return-to-work plans
    - 2.4 Actively manage implementation of recovery and return-to-work plans (e.g., manage injured worker and employer expectations)
3. **Monitor and report on results achieved**
    - 3.1 Collect information on achievement of return-to-work plans (e.g., successful return-to-work in identified timelines)
    - 3.2 Analyze whether desired outcomes are being achieved (e.g., average duration of absence from work)
    - 3.3 Adjust processes as necessary
    - 3.4 Communicate results

We concluded that for the 12-month period from September 1, 2015 to August 31, 2016, the Saskatchewan Workers' Compensation Board had, other than the following, effective processes to effectively co-ordinate workers return to work. Saskatchewan Workers' Compensation Board needs to:

- **Consistently record its communications with injured workers, employers, and health care professionals; and actively obtain requested return-to-work reports**

- **Verify the completeness and currency of return-to-work plans, address impediments to timely recovery, and confirm the agreement of injured workers and related employers with the plans**

- **Educate injured workers, employers, and health care professionals to increase their submissions of properly completed injury and progress reports for the return-to-work program**

- **Track and analyze key information about the quality and timeliness of its return-to-work program**

4.0 KEY FINDINGS AND RECOMMENDATIONS

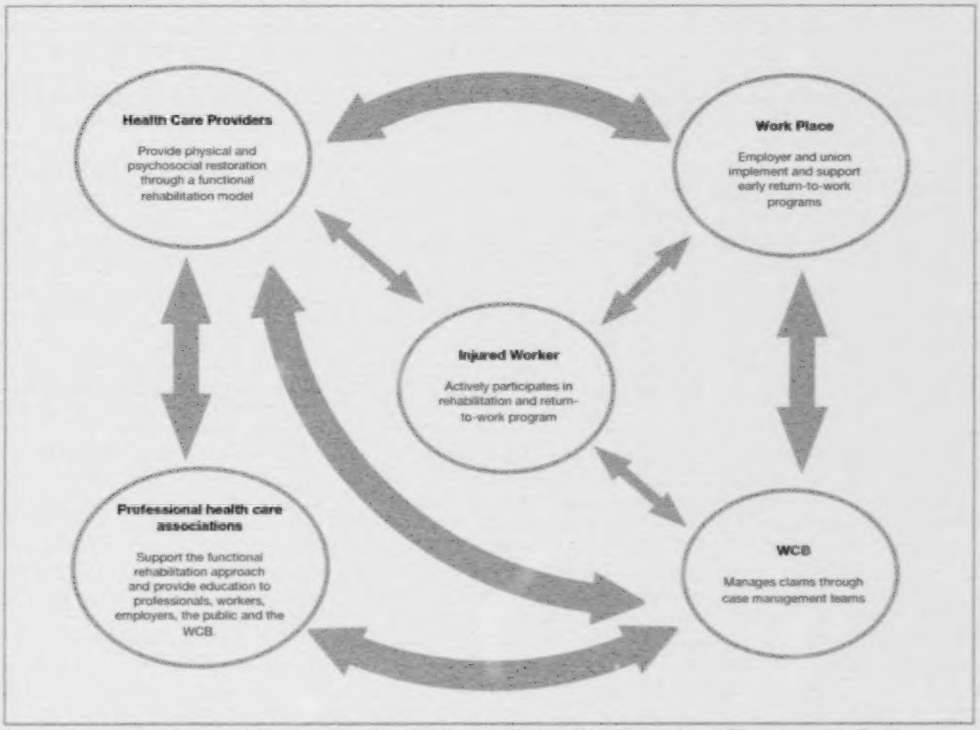
In this section, we set out the criteria (expectations) in italics and our key findings along with related recommendations.

4.1 Key Partners Offered Guidance on Return-to-Work Responsibilities

We expected WCB would identify the partners (e.g., injured worker, employer, and health care professionals) in the return-to-work program. We expected WCB would communicate and educate partners so they understand their roles and responsibilities in *the return-to-work process. We expected that WCB would facilitate the return-to-work process, through providing partners with appropriate guidance (e.g., education, templates, policies, procedures, and timelines).*

As noted in **Section 2.1**, the Act sets out the responsibilities of injured workers, employers, health care professionals, and WCB (partners) when a workplace injury occurs, or an injured worker returns to the workforce. **Figure 4** outlines the partners' roles in key aspects of WCB's recovery and return-to-work process.

Figure 4—Recovery and Return-to-Work Process


Health Care Providers
Provide physical and psychosocial restoration through a functional rehabilitation model
Work Place
Employer and union implement and support early return-to-work programs
Injured Worker
Actively participates in rehabilitation and return-to-work program
Professional health care associations
Support the functional rehabilitation approach and provide education to professionals, workers, employers, the public and the WCB.
WCB
Manages claims through case management teams

Source: Saskatchewan Workers' Compensation Board, ***A Support Package for Chiropractors & Physiotherapists Treating Injured Workers.***

WCB reinforces responsibilities of each of its partners primarily through information on its website.[9] In addition, it offers free voluntary training and education programs, informational brochures, and standardized forms or templates. Each of these communications set out what each partner is to do and when, along with information (e.g., standard forms) each partner is to submit to WCB, to enable the preparation of a complete RRP for an injured worker.

For example, WCB provides:

- Injured workers with information, on its website, about actions workers must take after a workplace injury, their rights, and an overview of the WCB claim process. It gives them access to forms for reporting an initial injury and progress on their recovery. Each year, WCB offers them free voluntary seminars on various topics (e.g., *Ergonomics: Why do workers get injured*).

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[9] www.wcbsask.com (7 October 2016).

- Employers with details, on its website, about their responsibilities after a workplace injury occurs (e.g., to initiate and lead the return-to-work planning).[10] WCB gives employers access to forms for completing RRPs, and reporting an initial injury and progress on their injured workers' recovery. WCB's Injury Prevention Unit offers voluntary classes in injury prevention, and the return-to-work process. WCB encourages employers to ask its Injury Prevention Unit for an assessment of their internal return-to-work process.

- Health care professionals (i.e., health care providers, professional health care associations) with details, on its website, about their assessment and reporting responsibilities related to injured workers in their care (e.g., the process to be accredited to provide WCB with services, reports on initial injury, and necessary information about the injured worker's progress). It gives them access to forms and templates to help them complete an RRP, and report an initial injury and progress on an injured worker's recovery. It offers free voluntary training on various topics (e.g., psychosocial factors for disability). WCB also provides more focused training for chiropractors and physiotherapists, as they are more frequently involved in the RRPs of injured workers.

WCB has assigned responsibility for co-ordinating claims for injured workers with an expected return-to-work duration of less than two weeks to its Claims Entitlement Services Unit. WCB does not require a documented RRP for these claims.

WCB has assigned responsibility for managing its return-to-work program to its Case Management Unit. This includes the responsibility for co-ordinating time-loss claims where the injured workers will likely miss more than two weeks of work and no-time-loss claims that have complications or carry a long-term prognosis. It expects documented RRPs for these claims.

The Case Management Unit is comprised of about 60 full-time equivalent staff. Most case managers within this Unit have more than five years of experience in this Unit, and manage an average caseload of 60 claims. At March 31, 2016, individual case managers had a low of 47 claims, and high of 99 claims.

To support this Unit, WCB has policies and procedures, and in-house training with a supporting training manual on matters specific to its return-to-work process. For example, the manual outlines how to complete standard forms (e.g., a claims summary and a RRP). It has established guidelines for when to refer an injured worker for a secondary assessment.

In addition, the Case Management Unit has developed its own expectations for its role in managing injured workers' RRPs. For example, it expects its staff to contact injured workers and employers within specific timeframes, and to complete key plans within specified timeframes (e.g., a RRP within 20 working days of the Unit's receipt of a claim).

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[10] WCB Legislation: www.worksafesask.ca/wp-content/uploads/2016/05/3-Legislation-RTW-1.2.pdf (28 September 2016).

Furthermore, WCB has designed its IT case management system (called Eclipse) to help staff co-ordinate claims. Eclipse indexes various documents related to each claim (e.g., initial injury reports, claim summary, and health care professional invoices). In addition, it captures basic information (e.g., injured worker's contact information, employer, WCB staff assigned to claim) and key dates (e.g., dates on which WCB contacts injured workers, completes claim summaries and opens and closes claim files) related to claims requiring RRPs. Eclipse can aggregate and summarize only the basic information it captures.

WCB does not track to what extent each of its partners accesses its website and forms, or participates in its voluntary training and educational programs. As noted in **Section 4.2**, our testing of claims files found employers and health care professionals do not always submit to WCB the information it expects to receive, and WCB does not do enough to make sure it obtains all information within a reasonable timeframe. See **Recommendations 2** and **3**.

4.2 More Support for Preparing and Implementing Recovery and Return-to-Work Plans Needed

4.2.1 Active Pursuit of Missing Initial Injury Reports Needed

So that WCB gathers sufficient information to prepare an RRP, we expected WCB to initiate timely contact and maintain regular contact with partners.

When a worker is injured in the workplace, WCB expects the injured worker, his/her employer, and related health care professionals to submit to it an initial injury report. The initial injury report includes:

- The injury (type, nature)
- Date of the injury
- Cause of the injury
- Whether the injured worker lost time from work
- Recommended time off work
- Recommended treatment plan

WCB's Claims Entitlement Services Unit determines which claims to refer to the Case Management Unit. For claims referred to this Unit, WCB requires the Case Management Unit to develop a claim summary within five working days of its receipt of the claim from the Claims Entitlement Services Unit.

The claim summary summarizes the background of the claim (e.g., chronology of the injured worker's claim). WCB has a claim summary template to guide its development.

In developing the claim summary, WCB expects the Case Management Unit to contact the injured worker and their employer within 10 business days of the Unit's receipt of a claim. The purpose of this discussion, in addition to reminding these partners of their responsibilities, is to inform them of the following. The Unit is responsible for co-ordinating the claim; WCB is committed to the safe and timely recovery of the injured worker; and a RRP must be prepared within 20 working days of the Unit's receipt of the claim.

In 25% of 20 claim files we tested, WCB did not document if, and when it contacted the injured worker and employer. The Unit could not show us if or when it contacted injured workers and employers for these claims.

In addition, for the 20 claims files we tested:

- 20% of the injured workers did not provide an initial injury report
- 5% of employers did not provide an initial injury report
- 10% of health care professionals did not fully complete the initial injury report
- In each of the files with missing initial injury reports as noted above, the Unit did not document if and when it followed up to try to obtain the requested reports

Without documentation of contact, we could not determine whether the Case Management Unit consistently contacted injured workers and employers within the 10 business days or when it failed to receive the requested initial injury reports. In addition, because the Unit did not record this information for all claims, these dates are not consistently captured in WCB's claims management system.

Management had previously identified these concerns through its internal assessments of claims. It had found that the number of initial injury reports received from employers within its target of five days was less than 50%.

Initial injury reports include key information to enable the completion of the claim summaries and RRPs. Without early communication with the injured worker and employer, WCB is unable to co-ordinate the development of an accurate and timely claim summary and creation of a RRP.

Not completing the RRP promptly after the injury increases the risk of delays in identifying and taking necessary steps to return injured workers to work as soon as practical and safely.

1. **We recommend that, for claims requiring recovery and return-to-work plans, Saskatchewan Workers' Compensation Board consistently record its communications with injured workers, employers, and health care professionals.**

2. We recommend that, for claims requiring recovery and return-to-work plans, Saskatchewan Workers' Compensation Board actively obtain requested reports (e.g., injury and recovery progress reports) from injured workers, employers, and health care professionals.

4.2.2 Return-to-Work Plans Not Always Complete or Done

We expected documented RRPs would include:

- *Injured worker's objective (e.g., return to same job or to a modified or new job at the same employer, to a similar job at a different workplace, or to a different job at a different workplace)*
- *Assessment of injured worker's abilities, functional limitations and restrictions*
- *Action required to meet injured worker's objectives (e.g., employer agrees to provide accommodations, modified duties or a graduated return)*
- *Planned action to mitigate identified barriers (e.g., special equipment, required training)*
- *The target return-to-work date, agreed upon work schedule, and deadlines for measuring injured worker's progress*
- *Any absences for medical check-ups that are required to meet the return-to-work plan's implementation*
- *Signature of the injured worker and employer, providing agreement on the return-to-work plan*

WCB's return-to-work program requires partners to work together to develop a RRP for an injured worker. WCB, as the co-ordinator of the return-to-work program, is to collect and track information from partners; this information facilitates the completion of a RRP.

WCB expects employers to initiate and lead the return-to-work planning for its injured workers. WCB provides a RRP template to guide the development of a RRP. The RRP outlines planned steps designed to return an injured worker to work safely and as soon as possible.

WCB's template RRP outlines key information it expects each partner to provide (e.g., medical diagnosis, work limitations, employer's ability to accommodate return-to-work, expected return-to-work date).

We found the RRP template was designed to collect the key information expected. We also found WCB does not require the injured worker or the employer to agree, in writing, to the RRP. Obtaining written confirmation of the RRP would ensure the injured worker and employer have a common understanding of the return-to-work plan and to help early identification of any barriers that may impact the worker's return-to-work.

The Case Management Unit is to use the employer portion of the RRP to create the claim summary mentioned in **Section 4.1**. Then, the Unit is to use the claim summary to complete the development of the RRP.

In 23% of the 30 claims files we tested, the Unit did not complete a RRP, but should have. Each of these claim files either had time-loss claims longer than two weeks in duration or were no-time-loss claims with longer-term complications.

In 35% of 20 claims files we tested, the Unit did not complete claim summaries within five working days from its receipt of the claim, or at all. For all claim files we tested with a claims summary, the Unit used the template to develop the claim summary.

For 20 claims files we tested, all files set out medical treatment recommendations obtained from the health care professionals (i.e., physiotherapist, chiropractors, and secondary assessment teams).[11]

With respect to the RRP in the 20 claims files we tested:

- All files did not clearly document the worker's objective (e.g., return to same job at same employer) but we could determine the objective if the file included a RRP.

  We noted WCB's case management system does not capture the worker's objective as basic information.

- In 35% of them, the RRPs were not completed within 20 working days of the Unit's receipt of the claim (e.g., they were completed 22 to 43 working days after its receipt), or, not created at all.

- In 90% of them, the RRP was not prepared using WCB's standard form. Not using the standard form increases the risk of the RRP not including complete information to assist in the worker's recovery and return to work.

- In 70% of them, the RRP was incomplete, (e.g., no target return-to-work date documented or no employer accommodations[12] documented).

- In 15% of them, WCB did not set out the workers' target return-to-work date or return-to-work schedule. Failing to outline a target return-to-work date or set an achievable return-to-work schedule makes it difficult for the partners to develop a RRP. In addition, target dates and schedules facilitate a common understanding of the plan amongst parties, and agreement with planned steps and timing of these steps.

  We noted WCB's case management system does not capture the target return-to-work date as basic information.

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[11] If the injured worker's recovery does not proceed as expected, the worker is referred to an assessment team—a multidisciplinary team. The assessment team confirms the initial diagnosis or recommends further diagnostic services (e.g., referral to a specialist). Also, the assessment team identifies the appropriate treatment plans (e.g., level of treatment for the worker (primary, secondary or tertiary), a timeline for return-to-work planning, and whether, in their view, the worker has pathology to preclude their return to the pre-injury job on a permanent basis. Taken from www.wcbsask.com/care-providers/treatment-assessment/ (22 September 2016).

[12] Accommodations in an employment context mean adapting workplaces, working conditions, job duties or assignments to address any barriers.

- In 95% of them, the employer did not prepare the RRP as WCB expected.
  - In 95% of them, the employer did not provide the employer portion of the RRP (e.g., is the employer capable of providing modified duties)
  - In 20% of them, the employer did not complete the job information worksheet even though WCB expects employers, working with their injured worker, to do so. This worksheet sets out the worker's duties and forms part of the employer's portion of the RRP (e.g., modification of duties, accommodations)

WCB does not require the Case Management Unit to update the claim summary after its initial preparation.

Because the case management system does not capture key RRP information (such as the worker's objective or target return-to-work date), the Unit does not have easily accessible information on the status of each injured worker's RRP and progress in recovery. Rather, Unit staff must review individual reports and documents contained in a claim file to determine the status of the completion of an injured worker's RRP, and the injured worker's objective, and recovery status.

Maintenance of a summary document such as a claims summary for each claim throughout the return-to-work process would assist the Unit's ability to effectively co-ordinate the claim. It would also help them identify incomplete or missing RRPs.

Incomplete or missing RRPs increase the risk of WCB not knowing if injured workers receive appropriate support (e.g., WCB staff may not know they need to arrange for alternate health care appointments thereby delaying rehabilitation and return to work).

3. **We recommend that, for claims requiring recovery and return-to-work plans, Saskatchewan Workers' Compensation Board verify the completeness and currency of those plans and the agreement of injured worker and related employer with the plan.**

4.2.3 Progress Reports on Injured Workers' Recovery Not Consistently Received

We expected WCB would actively co-ordinate the injured workers' RRPs, by working with the partners. It would ensure a clear RRP plan was established and kept up-to-date.

The Act requires WCB to verify an injured worker completes his/her treatment plan, and is physically and mentally capable of returning to the workforce [s. 19(1)(d)].

WCB expects injured workers, employers, and health care professionals to periodically report to WCB on the recovery progress of injured workers. It expects these reports throughout the recovery process (e.g., injured workers are to report every 28 days). It also expects RRPs be updated to reflect any changes to the plan.

WCB relies on information in these reports to determine whether workers are progressing as the RRP expected, and when not, to determine what actions are needed, and of whom.

For 20 claims we tested:

- In 100% of them, WCB sent written reminders to injured workers to submit recovery progress reports; however, for 35% of them, the reminder sent was not timely (i.e., sent later than every 28 days after the Case Management Unit received the claim)
- In 40% of them, injured workers did not submit recovery progress reports; for these claims, the Unit did not document if, and when it followed up to try to obtain the requested reports from the worker
- In 30% of them, employers did not respond to WCB's request for a progress report; for these claims, the Unit did not document if, and when it followed up to try to obtain the requested reports from the employer
- In 65% of them, the assigned health care professional did not complete the report on an injured workers' progress or provide sufficient information on the injured worker's progress (e.g., no information on anticipated return-to-work date, no return-to-work treatment plan); for these claims, the Unit did not document if and when it followed up to try and obtain the missing information from the health care professional

Without complete and timely information, WCB does not know if injured workers are making adequate progress, or whether their RRP remains appropriate. This increases the risk of injured workers not achieving successful treatment and returning to work as soon as practical. See **Recommendations 2** and **3.**

4.2.4 Referral to Secondary Assessments Later than Expected

We expected WCB would actively manage issues impeding the injured workers' progress.

WCB gives health care professionals written guidance on the target average duration of common work-related injuries (e.g., a certain type of injury should heal in a specified timeframe) to help them identify delays in progress. WCB has a policy to conduct a secondary assessment of an injured worker where his/her recovery is not progressing as anticipated.

WCB uses a secondary assessment to confirm the initial diagnosis, recommend further diagnostic services (e.g., referral to a specialist), or revisions to treatment plans. In addition, a secondary assessment may determine whether the worker can return to the pre-injury job on a permanent basis. In these situations, WCB refers the injured worker to its Vocational Rehabilitation Unit. This Unit can provide injured workers with training and guidance to help them find new employment.

For 67% of nine claims files we tested where the injured worker had a secondary assessment, the injured worker was sent for a secondary assessment later than the target average duration for the related injury (e.g., sent for assessment 182 days after injury for an injury with target average duration of 49 days). These files did not contain evidence that the Case Management Unit compared the health care professionals recommended time off from work to WCB's target average duration; the files did not contain reasons for delayed referrals to secondary assessment.

Timely use of secondary assessments helps address delays in recovery of injured workers within a reasonable timeframe. Longer durations of recovery have adverse physical and emotional impacts on injured workers, and their families.

As noted in **Section 2.1**, in 2015, WCB did not achieve its target average duration of time loss in days (actual of 38.92 days as compared to its target of 35.5 days). Delaying use of secondary assessments may delay identification of necessary changes in treatment plans and the recovery of injured workers. This in turn may contribute to longer durations of time loss. Longer durations of time loss impacts both injured workers and employers.

Without an effective process for WCB to identify when to send injured workers for a secondary assessment, injured workers may not be receiving the treatment they need in a timely manner.

4. **We recommend that, for claims with recovery and return-to-work plans, Saskatchewan Workers' Compensation Board identify and address impediments to timely recovery of injured workers within a reasonable timeframe.**

4.2.5 Partners Need Further Education on Their Responsibilities

To effectively plan for and co-ordinate the return of injured workers to work, WCB relies on the co-operation of each of its partners. It also relies on them to provide requested information with a reasonable timeframe.

As noted in **Section 4.1**, WCB makes information on the responsibilities of each partner readily available on its website, and makes training available to interested partners. Even though it makes good and clear information available, the results of tests of claim files show WCB often does not receive requested information from its partners and, where it does receive requested information, at times, it is not complete.

As noted in **Section 2.2**, the longer an injured worker is away from work, the lower the probability of the worker returning to work. Saskatchewan employers have a vested interest in working co-operatively with their workers, as an employer's premium rate is directly impacted by the duration of the employer's injury claims and injured worker's time lost.

If partners do not understand the importance of submitting information to WCB, they may not engage in the return-to-work process.

5. We recommend that Saskatchewan Workers' Compensation Board educate injured workers, employers, and health care professionals to increase their submission of properly completed injury and progress reports for the return-to-work program.

4.3 WCB Needs to Better Monitor the Success of the Return-to-Work Program

We expected WCB to set performance targets to assess the success of its return-to-work program. We also expected WCB would collect and track key information about its return-to-work program. It would analyze and report on the success of its return-to-work program and key adjustments necessary to improve the program.

While WCB monitors claims, it does not specifically monitor the success of its return-to-work program.

As noted in **Section 2.1**, WCB has two targets related to time-loss claims—not exceeding an average duration of 35.5 days on all time-loss claims, and 95% of workers sustaining a time-loss injury returning to work.[13] It makes these public (e.g., in the *2015-2017 Strategic and Operational Plan*, the *2015 Annual Report*, and the *2015 Stakeholder Report*).

These targets cover all time-loss claims (those requiring a return-to-work plan and those that do not). WCB does not know the percentage of time-loss claims that require a return-to-work plan.

WCB uses Eclipse, its case management system, to track information related to these targets. In addition, it tracks other information on injured workers recovery and return-to-work activities.

Each day and each month, WCB senior management receives information to help it manage operational workflow including claims that the Case Management Unit handles. For example,

- Daily reports show each claim referred to the Case Management Unit during that week, the day on which the Unit received the claim, and the number of claims the Unit has outstanding and closed during the year.
- Monthly reports show actual results for each of its targets related to time-loss claims, information on case manager caseloads, and administrative cost per time-loss claim. This helps it assess the overall efficiency on an aggregate of time-loss claims.

WCB routinely analyzes trends and differences between actual results and its targets. Each quarter, the Board receives reports that compare actual results against targets, along with reasons for differences.

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[13] WCB defines return to work as an injured worker that is no longer receiving benefits from WCB. To calculate average duration of time loss in days, it divides the total days lost paid for in the year by the total number of time-loss claims.

WCB identifies issues through its continuous review of workloads, regular meetings with staff, and internal quality control processes.[14] In addition, in 2015 as part of a continuous improvement process, WCB discussed issues and potential improvements with all staff. It communicates changes in processes and procedures through meetings with staff, revised policies and procedures, or revised expectations to partners.

Periodically, WCB compares its operations to other Canadian workers compensation boards or commissions and reports the results publicly (e.g., in its *2015 Stakeholders Report*). Comparisons include the administrative cost per time-loss claim, average calendar days from injury to first payment issued, and average calendar days from registration of claim to first payment issued.

In addition, WCB contributes information to the Association of Workers Compensation Boards of Canada. The Association publishes additional statistics on the operations of all Canadian workers compensation boards or commissions across the country. These statistics include the percentage of workers who are no longer receiving wage-loss benefits at particular period in time (e.g., after 30 days).

WCB does not track detailed information about its quality or timeliness of its return-to-work program (e.g., percentage of injured workers achieving target return-to-work date, percentage of workers completing RRP). As a result, WCB does not know, on a program basis, whether RRP plans are effective and making a difference in the recovery and the pace of recovery of injured workers.

We found that other Canadian jurisdictions have different measures for evaluating the timeliness and quality of the return-to-work process. We also noted research suggests the use of certain performance measures. These include: the percentage of injured workers' return to work within a specified period (e.g., 26 weeks from injury date); outcomes achieved by plans (e.g., whether target return-to-work date was met, and plan was followed); the average time until return to work by program type (e.g., regular work, temporary accommodation, or permanent accommodation); recurrence of injury rate; and the percentage of injured workers' return to work by outcome type (i.e., workers' objective).

In 2015, the duration of WCB's time-loss claims was higher than its target. Not tracking and analyzing key information about the quality and timeliness of its return-to-work program increases the risk of WCB not identifying opportunities to use this program to reduce the duration of time-loss claims. It also increases the risk of the program not cost-effectively contributing to the recovery of injured workers.

6. **We recommend that Saskatchewan Workers' Compensation Board track and analyze key information about the quality and timeliness of its return-to-work program.**

Management acknowledged its current measures do not provide an adequate picture of its return-to-work program. It noted WCB was reconsidering its performance measures.

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[14] WCB conducts a continuous quality assurance process looking for adherence to policy and procedures. WCB conducts this work at a supervisory level and by the Injury Prevention Unit. This Unit is independent of operations. WCB uses the results for staff coaching and process improvements.

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Audit Follow Ups

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Chapter 32
Agriculture—Irrigation Infrastructure Maintenance

1.0 MAIN POINTS

By September 23, 2016, the Ministry of Agriculture (Ministry) had implemented the two remaining recommendations that we first made in our 2011 audit of its processes to maintain irrigation infrastructure at Lake Diefenbaker.

The Ministry developed long-term irrigation objectives. It is using these long-term objectives in developing long-term maintenance plans. Also, senior management reviewed written reports summarizing completed maintenance activities.

2.0 INTRODUCTION

The mandate of the Ministry is to foster a commercially viable, self-sufficient, and sustainable agriculture and food sector.[1] In some parts of Saskatchewan, this involves irrigation.

The Irrigation Act, 1996, gives the Ministry authority to own irrigation infrastructure and/or grant financial assistance related to irrigation. In 2015-16, the Ministry had irrigation infrastructure with a recorded cost of about $62 million and a net book value of about $8.2 million.[2]

On February 10, 2014, the Ministry transferred operations, including maintenance activities, of this irrigation infrastructure to the applicable irrigation districts. Although it transferred operations, the Ministry remains responsible for the irrigation infrastructure and its maintenance.

Our *2011 Report – Volume 2*, Chapter 3, included five recommendations we made as a result of our audit of the Ministry's processes to maintain irrigation infrastructure at Lake Diefenbaker. By February 2014,[3] we reported the Ministry had implemented three of the five recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance.* To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit. To carry out this engagement, we discussed the actions taken by the Ministry to implement our recommendations, and reviewed related documentation (e.g., Saskatchewan Irrigation Strategy, maintenance work plan).

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[1] Ministry of Agriculture, *2015-16 Annual Report,* p. 5.
[2] Ministry of Agriculture Capital Asset Continuity Schedule as of March 31, 2016.
[3] February 2014 was the time of our last follow-up.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendations, the status of the recommendations at September 23, 2016, and the Ministry's actions up to that date.

3.1 Long-Term Irrigation Objectives Developed

We recommended that the Ministry of Agriculture set long-term irrigation objectives and use them to guide maintenance plans and priorities for its irrigation infrastructure. (2011 Report – Volume 2; Public Accounts Committee agreement April 10, 2013)

Status – Implemented

By September 2016, the Ministry had developed a Provincial Irrigation Strategy (Strategy). This Strategy is a part of the *25 Year Saskatchewan Water Security Plan*.

The four main objectives of this Strategy are enhanced returns from existing irrigation, irrigation expansion, irrigation sustainability, and long-term growth. The Strategy includes measurable outcomes for each of the objectives. For example, one of the outcomes for the irrigation expansion objective is, by 2020, to increase irrigated acres by 23,000 acres. The Ministry's infrastructure at Lake Diefenbaker will provide service to some of these acres. The Ministry will need to plan to sufficiently maintain its infrastructure over the long term to be able to provide service to these additional acres.

The Ministry has entered data on all of its irrigation assets at Lake Diefenbaker (excluding pump stations which are tracked separately) into its asset management software (SIIMS). SIIMS tracks information on asset condition (by component), consequence of failure (e.g., cost to repair, number of irrigation structures without water, safety), frequency of failure (remaining life of asset), location, size, replacement cost, and other inspection observations. This data is used to prioritize maintenance.

We observed that the Ministry is analyzing different scenarios using this asset data to finalize a long-term maintenance plan for its irrigation assets. These scenarios consider the established service objectives (e.g., additional serviced acres). This plan will estimate rehabilitation and replacement requirements, including costs, over the long term. The Ministry anticipates having its long-term maintenance plan for irrigation assets finalized by spring of 2017. Also, the Ministry uses the data in SIIMS (e.g., frequency and consequence of failure) and results of maintenance activities from the previous irrigation season to create annual maintenance plans.

3.2 Performance Monitoring Adequate

We recommended that the Ministry of Agriculture require and review regular written reports on the results of its maintenance activities for irrigation infrastructure for review by senior management. (2011 Report – Volume 2; Public Accounts Committee agreement April 10, 2013)

Status – Implemented

By September 2016, the Ministry completed an annual report for each of the irrigation districts at Lake Diefenbaker that summarized work completed throughout the fiscal year and future maintenance and operation items planned. Service reports from completed maintenance activities were included in the annual reports. These service reports were a detailed record of maintenance activities. The Executive Director responsible for Crops and Irrigation reviewed these annual reports.

Chapter 33
Central Services—Use of Consultants

1.0 MAIN POINTS

This chapter describes our first follow-up of management's actions on the recommendations we made in 2014 related to our audit of the Ministry of Central Services' (Ministry) processes for the use of consultants. By August 31, 2016, the Ministry had implemented three recommendations, but requires more work to fully implement one other recommendation. In addition, one recommendation was no longer relevant.

The Ministry established a policy to guide hiring of consultants. The policy requires a documented business case prior to undertaking any process to contract a consultant. The policy also requires contracts and related documents to outline the Ministry's process for evaluating consultants.

The Ministry did not follow the policy in that its contracts with consultants did not include provisions for monitoring and evaluation of consultants. In addition, it did not formally evaluate consultant services. Lack of such provisions and formal evaluations increases the risk the Ministry may engage consultants with past performance problems.

2.0 INTRODUCTION

The Ministry uses the services of consultants to obtain expertise and human resource capacity for specific periods of time or in relation to specific projects. During the year ended March 31, 2016, the Ministry spent approximately $11 million (March 31, 2015 - $15 million) on consultants.

In our *2014 Report – Volume 2*, Chapter 30, we concluded that the Ministry of Central Services' processes for the use of consultants, in effect at that time, were not effective. We made five recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit. We examined policies and procedures that relate to its use of consultants. We examined a sample of consultant contracts and related documents, and interviewed Ministry staff.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2016, and the Ministry's actions up to that date. By August 31, 2016, the Ministry had fully implemented three recommendations, and made progress towards implementing the other recommendation. We found one recommendation to be no longer relevant.

3.1 Treasury Board Approves Staff Levels

We recommended that the Ministry of Central Services establish a policy that guides when to use an employee as opposed to hiring a consultant. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – No Longer Relevant

We determined that the above recommendation was no longer relevant for the following reasons.

Existing budgetary processes provide the Ministry with direction on changes in the number of full-time equivalents (FTEs). The Ministry cannot increase the total number of FTEs without prior Treasury Board approval. The Ministry typically seeks this approval during the Government's annual budget cycle. We found that once the Ministry assesses the use of employees versus the use of consultants, the Ministry will seek Treasury Board approval if it requires additional FTEs.

The above recommendation was redundant in that implementation of our other recommendations results in the Ministry consistently documenting its rationale for use of consultants and evaluating their use.

3.2 Policy to Guide Hiring and Evaluating Consultants Established

We recommended that the Ministry of Central Services identify and document, prior to beginning the process of engaging a consultant, the reasons why a consultant is required. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

We recommended that the Ministry of Central Services establish a policy that guides when and how to conduct a final evaluation of a consultant's performance. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

The Ministry developed a Consulting Services Procurement Policy (Policy) that came into effect June 1, 2015.

The Policy guides staff on the Ministry's use of consultants (i.e. external resources). The Policy requires a documented business case prior to undertaking any process to contract a consultant. This is to include: stating reasons for using an external resource and considering client input (e.g., Ministry of Economy); vendor consultation; the nature and clarity of the business problem to be addressed; consultation services to be provided; and resource, time, and budget constraints.

In addition, the Policy requires contracts and related documents to outline the Ministry's process for evaluating consultants.

For the sample of contracts we examined, we found the Ministry assessed the need for use of a consultant consistent with the expectations set out in the Policy, and documented this assessment prior to engaging a consultant. The project sponsor documented the assessment in a business case. The business cases received appropriate approval.

3.3 Consultant Performance Not Formally Evaluated

We recommended that the Ministry of Central Services improve its agreements with consultants to include:

- Services to be provided, in sufficient detail to permit evaluation of consultant performance
- Provisions for monitoring and evaluation
- Dispute resolution (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Partially Implemented

The Ministry did not always follow its Consulting Services Procurement Policy in that it did not document its expectations for evaluating consultants in its contracts.

For the sample of contracts we examined, while the contracts and related documents (e.g., callout)[1] sufficiently documented details about expected services, none of them specified how the Ministry would monitor or evaluate consultants. In addition, for all contracts in the sample, the Ministry did not formally evaluate the consultant's performance.

We found that the Ministry includes dispute resolution clauses in its contracts with consultants.

Lack of monitoring and performance requirements in contracts increases the risk of not effectively monitoring and evaluating consultants. Also, not evaluating consultants or documenting the results of evaluations increases the risk that the Ministry may engage consultants with past performance problems; this, in turn, could impact the quality and cost of the future services.

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[1] A callout is when the Ministry seeks to contract for services from its list of pre-qualified suppliers.

3.4 Reasons for the Need to Extend Agreements Documented

We recommended that the Ministry of Central Services document, prior to extending an agreement with a consultant, the reasons for the need to extend the agreement. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

We examined a sample of contracts with extensions. Prior to extending the contracts, the Ministry had documented its rationale for the extension.

Chapter 34
Conseil scolaire fransaskois—Financial Management and Governance Practices

1.0 MAIN POINTS

The Conseil scolaire fransaskois (CSF; also referred to as Conseil des écoles fransaskois No. 310) is Saskatchewan's first-language French school system. It operates 14 fransaskois schools which are geographically dispersed across the province.[1]

In our 2014 audit of CSF's financial management and governance practices, we made 10 recommendations. By September 30, 2016, CSF had implemented all 10 recommendations. It established processes to develop required Board competencies, and to establish governance and financial policies and procedures key to managing its financial operations.

2.0 INTRODUCTION

This chapter describes our follow up of management's actions on the recommendations made in our *2014 Report – Volume 2*, Chapter 31. In that Report, we concluded that CSF did not have effective financial management and governance practices. We made 10 recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate CSF's progress towards meeting our recommendations, we used the relevant criteria from the 2014 audit. CSF's management agreed with the criteria in the 2014 audit.

We examined CSF's policies and procedures relating to financial management and governance practices. We interviewed staff responsible for financial management. We examined Board minutes, budget documents, and financial reports prepared by management. We also examined senior management performance evaluations and the processes used to track completion of conflict-of-interest declaration forms.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 30, 2016, and CSF's actions up to that date. We found that CSF had implemented all 10 recommendations.

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[1] http://ecolefrancophone.com/en/parents/find-a-school (16 September 2016).

3.1 Key Financial Management Policies Approved

We recommended that the Board of Conseil scolaire fransaskois approve a written delegation of authority setting out the authority of each staff involved in procurement decisions. (2014 Report – Volume 2, p. 180; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

We recommended that the Board of Conseil scolaire fransaskois approve written policies for key financial management processes based on its assessment of financial risks. (2014 Report – Volume 2, p. 181; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

The Board of CSF (Board) maintains a *School Board Governance Policy Manual* (Manual) which sets out governance policies for the organization. The Manual includes a delegation of authority policy that includes the Board's delegation of authority to manage CSF's operations and staff. The Board delegates this responsibility to the Director of Education and the Co-director General of Business. The delegation of authority policy allows these staff to further delegate responsibilities to staff they supervise. CSF documents further delegations within its purchasing policy, as described below.

The Board approved a purchasing policy and internal control policy in May 2015, with additional revisions approved by the Board in September 2016. These financial management policies address:

- Budgeting – establishes requirements to prepare the budget in accordance with Public Sector Accounting Standards, alignment with CSF's strategic plan, and a deadline for the annual budget
- Financial reporting – establishes requirements to prepare quarterly financial statements and financial projections, guidelines for analysis of variances between financial results and planned results
- Purchasing – establishes tendering guidelines, purchasing approval requirements (see **Figure 1**), and processes for evaluating suppliers

Figure 1—Purchasing Method and Approval Requirements

Purchasing Threshold	Purchase Method Required	Approval^
Less than $5,000	No tender	Department Budget Manager
Greater than $5,000 but less than $20,000	Minimum of three quotes	Co-director General of Business or delegate
Greater than $20,000	Tender	Co-director General of Business or delegate

Source: CSF Purchasing Policy.

^ Requirements for purchases associated with capital projects differ from the general purchasing requirements above. The Co-director General of Business or delegate must approve all capital purchases. Capital purchases greater than $5,000 but less than $40,000 required a minimum of three quotes, with tenders required for capital purchases greater than $40,000.

Since our 2014 audit, CSF has also documented written procedures addressing the use of purchasing cards and the independent review and approval of journal entries.

See **Section 3.5** for a description of the risk management processes CSF has implemented since our 2014 audit.

3.2 Comprehensive Code of Conduct Implemented

We recommended that the Board of Conseil scolaire fransaskois approve a comprehensive code of conduct and conflict-of-interest policy for Board members, management, and staff. (2014 Report – Volume 2, p. 181; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

We recommended that the Board of Conseil scolaire fransaskois monitor compliance with its code of conduct and conflict-of-interest policy and address identified conflicts of interest and violations of the code. (2014 Report – Volume 2, p. 181; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

In May 2015, the Board approved a code of conduct and conflict-of-interest policy for management and staff. The policy requires management and staff to annually complete a declaration form confirming they do not have any conflicts of interest, and includes processes for how to assess and mitigate potential conflicts of interest. At September 2016, we found that CSF was tracking the completion of management and staff conflict-of-interest declaration forms.

The Board established a code of conduct and conflict-of-interest policy for Board members in October 2011. During our 2014 audit, we found that this policy was not sufficiently comprehensive. The Board policy did not require tracking of possible conflicts of interest, require Board members to periodically (i.e., annually) confirm adherence to the policy, or set out processes to address identified violations.

CPA Canada considers requirements such as asking Board members to annually reconfirm their adherence to the policy and to disclose incidences of known or possible conflicts of interest to be good governance practices.[2] We found Board meeting minutes demonstrate members disclose incidences of known or possible conflicts of interest at Board meetings. In September 2016, the Board approved revisions to its policy to require annual confirmation of Board member's adherence to the policy. Management indicated that Board members are to complete this confirmation, in writing, annually in November of each year.

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[2] Canadian Institute of Chartered Accountants, *20 Questions Directors Should Ask About Codes of Conduct*, (2010), p. 13.

3.3 Board Development Plan Approved

We recommended that the Board of Conseil scolaire fransaskois implement a development plan to address gaps between competencies required and those possessed by Board members. (2014 Report – Volume 2, p. 182; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

In 2015-16, Board members completed a competency self-assessment questionnaire to assist in identifying Board training requirements. The questionnaire included the assessment of various competency areas, such as financial literacy, governance and ethics, leadership, and risk management. The Board reviewed the results from the questionnaires in May 2016. At its June 2016 meeting, the Board approved a development plan to address Board competencies over the next two years (i.e., 2016-17 to 2017-18).

3.4 Senior Management Performance Evaluated

We recommended that the Board of Conseil scolaire fransaskois require systematic and regular performance evaluations of senior management. (2014 Report – Volume 2, p. 183; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

The Manual includes a policy on the role of the Board. This policy requires senior management to have annual objectives (i.e., expectations) that will be assessed as part of annual performance evaluations.

For a sample of 2015-16 senior management performance evaluations, we found that the Board had agreed to the employee's expectations, employees had self-assessed their performance, and the Board had reviewed and approved the results.

3.5 Risk Management Processes Implemented

We recommended that the Board of Conseil scolaire fransaskois implement a risk management process that requires the identification and written analysis of financial risks that impact Conseil scolaire fransaskois. (2014 Report – Volume 2, p. 187; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

CSF presented a risk assessment to the Finance and Audit Committee in March 2016. The assessment included an evaluation of the organization's key risks and strategies to address the risks. The internal control policy described in **Section 3.1** also includes some aspects of risk management and the internal controls used by CSF manage its financial risks.

In September 2016, the Board approved a risk management policy that requires CSF to identify, assess, and prioritize risks. The Board also created a new Risk Management Committee in September 2016, to be responsible for monitoring and managing risks to the organization.

3.6 Financial Management Processes Improved

We recommended that Conseil scolaire fransaskois document its strategy to manage its net debt for the Board's approval. (2014 Report – Volume 2, p. 186; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

In June 2016, the Board approved a debt management plan that summarized CSF's strategies to manage its net debt. The plan includes strategies such as plans to make payments on outstanding debt every year, continuing to identify efficiencies within the organization, and establishing a debt repayment plan before incurring new debt. See **Figure 2** for CSF's financial results for the last four years, which illustrate that CSF's net debt position has improved since our 2014 audit.

Figure 2—Actual Financial Results

	2012-13	2013-14	2014-15	2015-16 (unaudited)
	$ in thousands			
Annual Surplus (Deficit)	$ 3,584	$ (1,996)	$ 1,729	$ 3,014
Long-Term Debt	$ 1,537	$ 1,951	$ 1,107	$ 601
Borrowings through Line of Credit	$ 2,402	$ 2,469	$ 932	$ -
Net (Debt) Surplus	$ (4,716)	$ (7,670)	$ (3,799)	$ 1,201

Source: CSF's Audited Financial Statements for 2012-13 to 2014-15, and CSF's Unaudited Financial Statements for 2015-16.

We recommended that Conseil scolaire fransaskois maintain accurate and current forecasts of financial information within its financial records. (2014 Report – Volume 2, p. 188; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

During 2015-16, CSF prepared quarterly financial statements that included accruals and agreed to the general ledger. CSF also prepared monthly budget and cash flow forecasts, which included commitments (e.g., transportation contracts) throughout the year. All of CSF's financial reports that we examined were prepared at month-end, rather than at mid-month as we observed in our 2014 audit. CSF also provided its Board with variance analysis, including reasons for differences between budget and actual, to enable Board members to assess CSF's financial condition.

3.7 Documented Analysis Supports Decisions

We recommended that the Board of Conseil scolaire fransaskois use documented analysis to support significant decision items, including analysis of financial, strategic, and reputational implications of recommendations and alternative options. (2014 Report – Volume 2, p. 193; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

CSF has a template for Board decision items. The template appropriately requires management to document options, implications (i.e., risks), and recommendations relevant to a Board decision item. For the decision items we examined, decision items presented to the Board included these requirements.

Chapter 35
eHealth Saskatchewan—Sharing Patient Data

1.0 MAIN POINTS

Since 1997, Saskatchewan has been developing a provincial electronic health records system for patients (called the provincial EHR) to allow for the sharing of patient data among healthcare professionals.[1]

Since 2010, eHealth Saskatchewan (eHealth) has had the mandate to develop and implement the provincial EHR for Saskatchewan. eHealth has created a provincial EHR through compiling and standardizing patient data from different regional health authorities and healthcare providers into provincial data repositories (i.e., data collection systems).

This chapter sets out the status of five recommendations we first made in 2014 to improve eHealth's processes to share patient data among healthcare professionals. Four recommendations were directed at eHealth and one recommendation was directed at the Ministry of Health (Ministry).

By September 15, 2016, eHealth implemented three of its four recommendations. Since our 2014 audit, eHealth has standardized data in all of the provincial data repositories, except for clinical records.

eHealth, in association with the Ministry, Saskatchewan Cancer Agency, and regional health authorities, formed the Health Information Oversight Committee (HIOC) in May 2016. HIOC is to establish, deliver, and govern an effective and efficient provincial health information system. Part of its responsibilities is to make sure future IT capital projects are compatible and integrated with the current system before asking the Ministry to fund them.

The results of HIOC's work, along with a long-term IT capital plan for the health sector, are expected to ensure the healthcare system has the priority IT resources required to deliver patient services. At September 2016, the Ministry did not have a long-term IT capital plan that encompasses provincial EHR priorities.

2.0 INTRODUCTION

Our *2014 Report – Volume 1*, Chapter 9, concluded that, for the period of April 1, 2013 to February 28, 2014, eHealth had effective processes to share patient data among healthcare professionals, except in a few areas. We made five recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate eHealth's progress towards meeting our recommendations, we used the relevant criteria from the original audit. eHealth's management agreed with the criteria in the original audit.

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[1] Patient data is patient health information in electronic format. Healthcare professionals include physicians, pharmacists, nurses, and radiologists.

We interviewed key eHealth and Ministry staff regarding provincial EHR data repositories. We also examined eHealth's strategies for completing data repositories and standardizing data requirements and reviewed terms of reference, agreements, and minutes.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 15, 2016, and eHealth's actions up to that date. We found that eHealth had implemented three recommendations. eHealth and the Ministry continue to work on the remaining two recommendations.

3.1 Standardized Data Requirements Progressing

We recommended that eHealth Saskatchewan establish standard data requirements for all provincial repositories. (2014 Report – Volume 1; Public Accounts Committee agreement February 12, 2015)

Status – Partially Implemented

Standardized data helps to ensure relevant and timely information is readily available for patient care. In our 2014 audit, we found eHealth had identified key data repositories, to include patient data related to:

- Lab results
- Drug information
- Diagnostic imaging/reports
- Clinical records (discharge summaries)
- Immunization information
- Chronic disease information
- Synoptic reporting[2]

eHealth has set standard data requirements for all the data repositories, except clinical records. As of September 2016, 3sHealth was leading a transcription project. Once completed, standard electronic clinical reports (e.g., admission histories, discharge summaries, progress notes, surgical reports) are expected across all regional health authorities, which eHealth can then make available through the provincial EHR.

Without standardized data compiled into the clinical records repository, physicians may not have the necessary information to make the best decisions. For example, if an RHA does not include hospital drug information in its discharge summary, a physician in another location later treating the same patient may prescribe a conflicting drug, potentially with adverse health consequences.

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[2] Synoptic reporting captures data items in a structured, standardized format, and contains information critical for understanding a disease, the technical details of a procedure, and the subsequent impacts on patient care.

Establishing standardized data requirements in electronic format for all repositories would ensure relevant and timely information is readily available for patient care.

3.2 Monitoring and Addressing Data Gaps

We recommended that eHealth Saskatchewan define strategies to identify and collect key patient data required for provincial electronic health records. (2014 Report – Volume 1; Public Accounts Committee agreement February 12, 2015)

Status – Implemented

The completeness of the provincial repositories is contingent upon the completeness of the sources of its information and the willingness of those with patient data to share it. **Figure 1** summarizes the availability (through the eHR Viewer)[3] and completeness of patient data at September 15, 2016.

eHealth has developed a five-year priority roadmap (2014-2019). The roadmap outlines when eHealth plans to connect each data repository to various health care providers (e.g., regional health authorities) and when it expects new initiatives to occur. eHealth updates the status[4] of initiatives each quarter, and revisits the priority roadmap annually. **Figure 1** also outlines whether eHealth is planning to address data gaps.

Figure 1—Saskatchewan's Key Provincial Repositories as of September 15, 2016

Patient Data	Available?	Complete?	Plans to Address Data Gaps
Lab Results	Yes	Yes	
Drug Information	Yes	No – missing hospital drug information and oncology drug information	Pilot in place for hospital drug information at Saskatoon Regional Health Authority. Oncology drugs are on the roadmap for 2016-17.
Immunization Information	Yes	Yes	
Diagnostic Imaging/Reports	Yes	No – missing images and reports from private clinics (approximately 30% of images)	Pilot taking place in one private clinic. Roll-out in two private clinics planned for 2017-18.
Discharge Summaries	Yes	No – only includes Saskatoon Regional Health Authority discharge summaries	Transcription project underway.
Clinical Encounters[A]	Yes	Yes	
Chronic Disease Information	Yes	Yes	
Synoptic Reporting	Yes	Yes	

Source: eHealth Saskatchewan documentation and interviews.
[A] The Clinical Encounters repository allows physicians to see if their patients have received care in hospital, through the eHR viewer.

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[3] The eHR Viewer allows authorized users to view patient data over the internet.

[4] eHealth classifies each initiative as completed, in progress, in queue, in planning, dependent on other initiatives, or delayed.

3.3 Governance Structure Established will Facilitate Provincial EHR Development

We recommended that eHealth Saskatchewan obtain responsibility from the Ministry of Health for the drug and immunization repositories to facilitate developing the provincial electronic health records. (2014 Report – Volume 1; Public Accounts Committee agreement February 12, 2015)

Status – Implemented

We recommended that eHealth Saskatchewan obtain responsibility from regional health authorities for the diagnostic images and reporting repository to facilitate developing the provincial electronic health records. (2014 Report – Volume 1; Public Accounts Committee agreement February 12, 2015)

Status – Implemented

eHealth Saskatchewan is the system owner of the provincial EHR repositories. Advisory committees and working groups are in place for each repository with membership from eHealth, the Ministry, regional health authorities, Saskatchewan Cancer Agency, regulatory bodies, and pharmacies. These repository advisory committees and working groups are responsible for providing advice and guidance for the projects related to the repository they are responsible for. A provincial eHealth Information Advisory Committee (eHIAC) is in place for the shared trusteeship[5] model. eHIAC is responsible for providing advice and guidance on data-sharing agreements, service and access policies, and security and privacy concerns.

On May 19, 2016 eHealth, the Ministry, Saskatchewan Cancer Agency, and regional health authorities agreed to form the Health Information Oversight Committee. HIOC's membership includes eHealth's CEO, representation from regional health authorities CEOs and/or Saskatchewan Cancer Agency's CEO, and a representative from the Ministry of Health. HIOC is responsible for prioritizing IT investments and making recommendations. The group is meeting regularly (e.g., monthly) and establishing a decision making process.

The formation of HIOC is expected to facilitate shared responsibility between eHealth and its partners (e.g., Ministry of Health, regional health authorities) in making shared decisions impacting provincial EHR.

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[5] *The Health Information Protection Act* defines a trustee as a person or organization who has custody or control of personal health information (i.e., patient data).

3.4 IT Capital Funding on a Health Sector-Wide Basis Advancing

We recommended that the Ministry of Health allocate IT capital funding based on a provincial strategy for electronic Health records. (2014 Report – Volume 1; Public Accounts Committee agreement February 12, 2015)

Status – Partially Implemented

The Ministry continues to fund IT projects at eHealth, regional health authorities, and other partners (e.g., Saskatchewan Cancer Agency). It expects the formation of HIOC to facilitate a centralized approach in enhancing the provincial EHR. For example, HIOC is responsible for ensuring future IT capital investments are compatible and integrated with current infrastructure, prior to recommending the Ministry fund them.

The work of HIOC, along with a long-term IT capital plan for the health sector would help ensure that the healthcare system has the priority IT systems it requires to support the delivery of patient services. At September 15, 2016, the Ministry did not have a long-term IT capital asset plan.

Chapter 36
Finance—Oversight of Information Technology

1.0 MAIN POINTS

This chapter reports the results of our fourth follow-up of two recommendations we initially made in our *2009 Report – Volume 3*, Chapter 7, on the Ministry of Finance's (Finance) processes for overseeing IT. At September 30, 2016, Finance had implemented both recommendations. During 2015-16, Finance assessed its IT risks and implemented its IT strategic plan.

2.0 INTRODUCTION

Effective oversight of IT is crucial in achieving Finance's goals for delivering high quality, timely and accurate reporting, and providing services that meet client needs in the most effective and efficient manner to support its overall goal of delivering responsive and responsible government. Finance uses IT extensively to carry out its mandate. For example, it uses IT for revenue, investment, and debt management. In 2015-16, Finance spent $6.8 million on IT and estimates spending $7.0 million for 2016-17.[1]

In our *2009 Report – Volume 3*, Chapter 7, we concluded that Finance had adequate processes for IT oversight for the 12-month period ended September 30, 2009, except it needed to develop an IT risk management plan based on analysis of IT risks, and implement an IT strategic plan. We made two recommendations.

Our *2011 Report – Volume 2*, Chapter 9; *2013 Report – Volume 1*, Chapter 22; and *2015 Report – Volume 1*, Chapter 21 reported that Finance had made some progress in implementing these recommendations but had more work to do.

To conduct this review, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Finance's progress towards meeting our recommendations, we used the relevant criteria from the 2009 audit. Finance's management agreed with the criteria in the 2009 audit. We discussed with management actions taken by Finance to implement our recommendations and reviewed related documentation (e.g., IT strategic plan).

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 30, 2016, and Finance's actions up to that date. We found that Finance had implemented both recommendations.

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[1] Ministry of Finance records.

3.1 IT Risk Management Plan in Place

We recommended that the Ministry of Finance develop an information technology risk management plan based on an analysis of information technology risks. (2009 Report – Volume 3; Public Accounts Committee agreement June 25, 2010)

Status – Implemented

During 2015-16, Finance completed its IT environmental scan and risk assessment to assess the current state of its IT environment. It identified key risks related to the Ministry's IT systems and applications and assessed the likelihood and impact of those risks. Finance used this environmental scan and risk assessment to develop its IT strategic plan. The IT strategic plan includes mitigation strategies to address the key risks identified.

3.2 IT Strategic Plan Implemented

We recommended that the Ministry of Finance implement a strategic information technology plan that aligns with its strategic business objectives. (2009 Report – Volume 3; Public Accounts Committee agreement June 25, 2010)

Status – Implemented

During 2015-16, Finance implemented its IT strategic plan (plan). In September 2015, Finance's senior management approved the plan and communicated it to staff. The plan aligns with Finance's overall strategic plan. It includes strategic objectives, which reflect significant IT risks identified, and action plans to achieve the objectives. The plan also includes target dates for implementing these action plans.

Chapter 37
Government Relations—Assessing Public Concerns

1.0 MAIN POINTS

The Ministry of Government Relations (Ministry) is responsible for setting the legislative framework for municipal governments in Saskatchewan.

The Ministry works with municipalities, their representative associations, and other provincial agencies to help foster effective local government. When the public does not understand municipal government legislation or has concerns about municipal administration or services, they often express these concerns to the Ministry. The Ministry uses these concerns as a source of information to assist it in identifying areas for improvement to the system of municipal government.

By September 26, 2016, the Ministry implemented all the recommendations we made in 2014 related to its processes to assess public concerns regarding municipalities. The Ministry:

- Gave its staff central guidance on tracking, assessing, and documenting analysis of public concerns
- Required staff responsible for assessing public concerns to document potential conflicts of interest, and then assigned staff accordingly
- Documented key information about public concerns in its electronic system

2.0 INTRODUCTION

This chapter describes our first follow-up of management's actions on the four recommendations we made in our *2014 Report – Volume 2*, Chapter 33, resulting from our audit of the Ministry's processes to assess concerns raised by the public for implications on the system of municipal government in Saskatchewan.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the 2014 audit. Ministry management agreed with the criteria in the 2014 audit. To complete our follow-up, we discussed progress with management and reviewed supporting documentation.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 26, 2016, and the Ministry's actions up to that date.

3.1 Written Guidance Maintained Centrally and Provided to Staff

We recommended that the Ministry of Government Relations centrally maintain guidance for tracking and assessing public concerns regarding municipalities. (2014 Report – Volume 2; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

We recommended that the Ministry of Government Relations provide written guidance to staff on when and how to document their analysis of public concerns regarding municipalities. (2014 Report – Volume 2; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

In 2015, the Ministry developed two guidance documents for use by staff responsible for assessing public concerns.[1] Management approved and communicated this ministry-wide guidance in February 2015 and May 2015. The guidance sets out when, where, and how staff are to document their analysis of public concerns. It also describes the information staff must provide to senior management.

3.2 Potential Conflicts of Interest Documented and Used to Assign Staff

We recommended that the Ministry of Government Relations require staff responsible for assessing public concerns about municipalities to document potential conflicts of interest, and then assign staff accordingly. (2014 Report – Volume 2; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

In June 2015, senior management approved a conflict of interest documentation policy. The policy requires staff to take appropriate steps to avoid conflict of interest situations. It sets out steps staff are to take when such a situation arises. The policy requires staff to formally notify their branch head, as soon as possible, of any potential and/or perceived conflicts of interest. Branch heads are responsible for retaining this information and using it to assign work accordingly.

Management communicated the policy to all staff responsible for assessing public concerns regarding municipalities. We found that staff informed branch heads of potential and/or perceived conflicts of interest. Branch heads used this information when assigning work to staff.

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[1] These documents are called *Central Guidance to Branches for Tracking and Assessing Public Concerns for Implication on the Municipal Government System* and *Community Planning Branch-Documentation of Municipal System Issues.*

3.3 Key Information Included in Ministry's Electronic System

We recommended that the Ministry of Government Relations include key information about public concerns with potential impact on the system of municipal government received by the Community Planning Branch in its electronic system. (2014 Report – Volume 2; Public Accounts Committee agreement June 18, 2015)

Status – Implemented

The Community Planning Branch developed procedures for including, in the Ministry's electronic system (i.e., Provincial Municipal Relations database [PMR]), key information about certain public concerns that it receives—those with potential impact on the system of municipal government. These procedures set out what information to include in the PMR. We found the Community Planning Branch followed its procedures and updated the PMR accordingly.

Chapter 38
Health Quality Council—Co-ordinating the Use of Lean

1.0 MAIN POINTS

In our *2014 Report – Volume 2*, Chapter 34, we reported the results of our audit of the Health Quality Council's (HQC)[1] processes to co-ordinate the use of Lean[2] as a continuous improvement methodology across the health sector.

This chapter sets out the status of five recommendations we made to improve HQC's processes to co-ordinate the use of Lean. By September 2016, HQC had implemented three of the five recommendations. It now shares information across health sector agencies[3] that demonstrates how Lean activities contribute to strategic priorities. It collects information from health sector agencies on ongoing results achieved through Lean events and the sustainability of those results. It reports those results to the Ministry of Health (Ministry) and health sector agencies.

HQC, in collaboration with the Ministry and various health sector agencies, was developing but had not yet finalized a risk management framework for co-ordinating the use of Lean across the health sector.

Also, the public still needs information on the benefits realized from the use of Lean to enable them to determine whether, in their view, the investment was worthwhile and the health sector has achieved the objectives it expected.

2.0 INTRODUCTION

In 2009, the Ministry started to require all health sector agencies to use Lean as a continuous improvement methodology. From 2013 to March 2016, HQC was the key co-ordinating agency for the use of Lean in the health sector. In April 2016, its role changed. While HCQ continues to collaborate with the Ministry and other health sector agencies to support the use of Lean in the health sector, it no longer serves a co-ordinating role.

In 2014, we assessed HQC's processes to co-ordinate the use of Lean as a continuous improvement methodology across the health sector. Our *2014 Report – Volume 2*, Chapter 34 concluded that because HQC did not have full authority to carry out its responsibilities, it did not have effective processes to co-ordinate the use of Lean as a continuous improvement methodology across the health sector. We made five recommendations.

This chapter describes the results of our first follow-up to assess HQC's progress in addressing those recommendations.

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[1] HQC was established in 2002 under *The Health Quality Council Act*. Its responsibilities include promoting improvement in the quality of health care through training and education. Its *Annual Report 2015-16* (p. 2) states HQC's mission is to *accelerate improvement in the quality of healthcare throughout Saskatchewan*.

[2] Lean is a continuous improvement methodology that involves analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of changes.

[3] Health sector agencies include the Ministry of Health, all regional health authorities (RHAs), the Saskatchewan Cancer Agency, 3sHealth, eHealth, and the Health Quality Council.

Subsequent to our audit in 2014, the Ministry decided not to renew its contract with its Lean consultant. This decision helped align the authority of HQC with its then responsibility for the Provincial Lean Office.[4]

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate HQC's progress towards meeting our recommendations, we used the relevant criteria from the original audit. HQC's management agreed with the criteria in the original audit. We discussed actions taken with management, reviewed and assessed the information provided, and examined relevant databases and reports.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at October 3, 2016, and HQC's actions up to that date. We found that HQC has implemented three recommendations and is continuing to make progress on two recommendations.

3.1 Risk-Management Framework Progressing

We recommended that the Health Quality Council implement a risk management framework for coordinating the use of Lean across the health sector. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

By September 2016, HQC did not have a risk-management framework in place for co-ordinating the use of Lean across the health sector.

Since our 2014 audit, HQC, along with senior leadership from health sector agencies developed an action plan for the use of Lean in the health sector. This action plan included priorities based on informally identified risks. For example, one priority relates to increasing awareness of improvement activities through telling stories that incorporate patient and provider voices. HQC monitored progress of these priorities; it reported on progress to Lean offices within health sector agencies and to the guiding coalition.[5]

In February 2016, the Provincial Quality, Safety & Lean Management Committee (Committee) was established. This Committee consists of senior managers from HQC and the Ministry, and senior managers responsible for quality, safety, and Lean management at health sector agencies. Part of this Committee's role is to provide strategic input and support for risk-management, including developing and implementing a risk management framework for co-ordinating the use of Lean.

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[4] The Provincial Lean Office is called the Kaizen Promotion Office. It was responsible for co-ordinating the use of Lean across the health sector. HQC was responsible for the Provincial Lean Office.

[5] The guiding coalition consists of the Deputy Minister of Health, the CEO of HQC, and the CEOs of two RHAs. This guiding coalition provides oversight and advice on implementing Lean in the health sector.

The Committee expects that it will have a risk-management framework in place by December 31, 2016. It expects this framework to include:

- Risk identification, assignment of responsibility for risks, and mitigation strategies
- A process to continuously update and track risks

Implementing a risk-management framework would better equip HQC and health sector agencies to manage and address issues that affect the use of Lean.

3.2 Sharing of Lean Information Improved

We recommended that the Health Quality Council promote alignment of Lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priorities. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

Since our 2014 audit, HQC continues to maintain an online information-sharing platform for collection, analysis, and presentation of information about Lean events and activities. Since our audit, HQC has expanded the functionality and reporting capabilities of this online platform to better link information collected about Lean events and activities to health sector strategic priority areas. Health agency staff can now generate reports from this online platform that show which Lean events completed in health sector agencies contribute to specific strategic priorities.

Access to information on completed Lean events and activities helps health sector agencies align their own Lean events with strategic priority areas. For example, health sector agencies can easily find the results of completed Lean events of other health sector agencies (e.g., preventing falls, improving long-term care facility admission processes, etc.) and utilize the lessons learned from these events when determining their own Lean activities.

3.3 Information Collected on Lean Event Results

We recommended that the Health Quality Council collect information from health sector agencies on ongoing results achieved through Lean events in the agencies. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

Since our 2014 audit, HQC has worked with health sector agencies to improve processes and requirements for collecting information on Lean events. In February 2015, HQC implemented standards for data collection on Lean events. These standards provide guidance and instructions for capturing the impact of results achieved through

Lean events and promote consistency in data collection. For example, the standards include detailed instructions and calculations for reporting the financial impact of a Lean event.

We also found that information on the status of health sector agencies' Lean events in HQC's online information-sharing platform was significantly more complete. For example, by September 2016, health sector agencies completed required event audits[6] and, as shown in **Figure 1**, submitted results (event audit data) to HQC faster than in 2014. Event audit data indicated whether the Lean event results were sustained after specified intervals (e.g., 30 days after event).

Figure 1—Percentage of Lean Event Audit Data Not Updated

	30 days after event	60 days after event	90 days after event	180 days after event
As reported in our *2014 Report – Volume 2*, Chapter 34	48%	47%	57%	73%
As of September 2016	8%	11%	13%	23%

Source: HQC records.

We recommended that the Health Quality Council give written reports to the Ministry of Health and health sector agencies on the results Lean events have achieved, and the sustainability of those results. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

HQC has also improved the reporting available on its online information-sharing platform. HQC and users at health sector agencies can easily determine the status of Lean events, whether event audit data is missing and whether Lean event results are being sustained.

Online information includes status of past Lean events (i.e., whether event audits indicated health sector agencies were sustaining results 180 days after an event, or if event audit data was missing). The online information also outlines whether individual Lean events directly related to a health sector strategic priority. For example, in February 2016, 6 out of 17 Lean events completed by health sector agencies directly related to a strategic priority (e.g., seniors, emergency department waits).

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[6] These audits are updates of past Lean events. The purpose of the audits is to assess whether the health sector agency is maintaining changes achieved by the Lean events. Health sector agencies must complete audits 30, 60, 90, and 180 days after the initial Lean event.

3.4 Public Report Required on the Benefits Realized From the Use of Lean

We recommended that the Health Quality Council report to the public on outcomes achieved through the use of Lean across the health sector. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Partially implemented

HQC's website (BetterHealthCare.ca) provides public reporting on the outcomes of improved health care quality related to specific improvements (e.g., through individual stories on Lean events and activities). HQC views these specific improvements as an indication that the health sector's investment in Lean is providing a foundation for a culture of continuous improvement.

As set out in **Figure 2**, the Government had broad objectives for the use of Lean, and specific ones for the health sector. To date, the health sector has not specifically reported on whether the use of Lean is achieving those objectives—for example, creating a culture of continuous improvement in the health sector, reducing costs, and increasing safety.

Figure 2—Government's Objectives for Use of Lean As Stated in 2014

The Government stated it was using Lean as a systematic way to improve systems and processes, streamline its work, and improve service delivery to the public.[A] It was also using Lean as one way to create a culture within the Government that will continuously seek to improve service delivery.[B]

HQC stated that Lean makes health care better in several ways:

- It increases safety by eliminating defects and errors
- Patients are more satisfied with their care
- The staff doing the work are the ones who look for waste and find better ways to deliver care
- It reduces cost, by getting rid of waste
- Patients have better health outcomes[C]

Source: *2014 Report – Volume 2*, Chapter 34.

[A] http://thinklean.gov.sk.ca/toplinks/faqs/index.html (12 October 2016).

[B] http://blog.hqc.sk.ca/2014/08/28/lean-reform-saskatchewan-healthcare-adopts-lean-management-for-big-benefits/ (12 October 2016).

[C] www.hqc.sk.ca/improve-health-care-quality/lean/ (12 October 2016).

As noted in our 2014 audit, the health sector has made a significant initial investment in Lean. The public needs information on the benefits realized from the use of Lean to enable them to determine whether, in their view, the Government's investment in Lean was worthwhile.

As described in **Section 2.0**, HQC's role in co-ordinating the use of Lean has changed since our 2014 audit. Therefore, we recognize such a report would require collaboration between HQC, the Ministry of Health, and other health sector agencies.

Chapter 39
Justice—Maintenance Enforcement

1.0 MAIN POINTS

Under *The Enforcement of Maintenance Orders Act, 1997,* the Ministry of Justice (Ministry) is responsible for administering the maintenance enforcement program. The Ministry, at the recipient's or payer's request,[1] registers spousal and/or child support court orders and agreements, records and monitors payments, and takes enforcement action when the required payments are missed or late.

This chapter sets out the status of three recommendations we first made in 2012 to improve the Ministry's processes to enforce maintenance payments. By September 30, 2016, the Ministry implemented one recommendation.

In October 2015, the Ministry implemented a new computer system, and required maintenance enforcement officers to formally review client files every two months to determine whether it needed to change its enforcement approach. At September 2016, it was developing monitoring reports to help it implement the remaining two recommendations.

2.0 INTRODUCTION

Our *2012 Report – Volume 1*, Chapter 10, identified areas where the Ministry could improve its processes to enforce maintenance payments. We made five recommendations. By March 27, 2014, as reported in our *2014 Report – Volume 1*, Chapter 23, the Ministry had implemented two of those five recommendations. The Ministry identified the development of a new computer system to track key information on maintenance enforcement clients as critical in addressing the remaining recommendations.

This chapter describes our second follow-up of management's actions on these recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit. We based our findings on our examination of the Ministry's processes, relevant documentation, and discussions with management.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendations at September 30, 2016, and the Ministry's actions up to that date. We found the Ministry implemented one recommendation, and continued development of a monitoring report from its new computer system to implement the remaining recommendations.

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[1] www.saskatchewan.ca/residents/family-and-social-support/child-support-and-protection/help-with-paying-or-receiving-child-support (6 October 2016).

3.1 Progress Made on Accuracy of Information

We recommended that the Ministry of Justice (formerly the Ministry of Justice and Attorney General) establish a formal performance standard for the timely documented review of maintenance enforcement client files not complying with payment terms and monitor compliance with this standard. (2012 Report – Volume 1; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

The Ministry developed a standard that requires maintenance enforcement officers to review a monitoring report every two months. The purpose of the review is to actively monitor and enforce payers' compliance with payment terms. The results of our testing of client files found the Ministry is using this standard.

We recommended that the Ministry of Justice (formerly known as the Ministry of Justice and Attorney General) keep accurate and up-to-date information for its maintenance enforcement clients. (2012 Report – Volume 1; Public Accounts Committee agreement December 9, 2013)

Status – Partially Implemented

The Ministry has made progress to keep accurate and up-to-date information for its maintenance enforcement clients. In October 2015, it implemented its new computer system to track key information on maintenance enforcement recipients and payers.

For files where maintenance payers are receiving social assistance, the Ministry is reviewing social assistance information as the basis for its monitoring of these clients. For these files, we found that the Ministry began formally reviewing these files in May 2016.

For a sample of five files we examined, the maintenance enforcement officers compared the Ministry's records to social assistance information every two months as expected. They determined if the maintenance payers were still receiving social assistance payments. This process enables the Ministry to determine whether it needs to change its enforcement approach.

For client files where the maintenance payer is not on social assistance, as of September 30, 2016, the Ministry had not yet developed a monitoring report for these clients. As a result, maintenance enforcement officers did not have summarized information relating to which of their clients have outstanding maintenance support payments and the associated dollars outstanding.

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Ministry staff indicated that it expects to complete development of a monitoring report by March 2017. Once developed, it expects maintenance enforcement officers to use the report to identify and address payers whose information may not be accurate and up-to-date (e.g., banking information, address).

3.2 Ongoing Monitoring Needed

We recommended that the Ministry of Justice (formerly the Ministry of Justice and Attorney General) periodically review reports that show who owes outstanding maintenance support payments, how much is owed, and how long amounts have been outstanding. (2012 Report – Volume 1; Public Accounts Committee agreement December 9, 2013)

Status – Not Implemented

The Ministry indicated that it expected to generate reports from its new computer system that maintenance enforcement officers can use to monitor outstanding support payments from maintenance payers. As of September 30, 2016, it had not yet developed these reports.

Chapter 40
Justice—Monitoring Provincial Policing Services Delivered by the RCMP

1.0 MAIN POINTS

The Ministry of Justice (Ministry) is responsible for provincial policing. This includes making sure the cost for provincial policing services delivered by the Royal Canadian Mounted Police (RCMP) is accurate. For 2015-16, the cost for provincial policing services provided by the RCMP was $174 million.[1]

In 2009, we reported that the Ministry did not verify costs charged by the RCMP for policing were accurate and recommended that it do so. By September 30, 2016, the Ministry had implemented processes to do so (e.g., review of sufficient financial information, developing an understanding of the RCMP's financial management policies). These processes assess the accuracy of the costs charged by the RCMP and reduce the risk of the Ministry overpaying the RCMP.

2.0 INTRODUCTION

To meet its policing objectives, the Ministry contracts with the Government of Canada for the services of the RCMP as allowed under *The Police Act, 1990*.

Our *2009 Report – Volume 1*, Chapter 3 concluded that the Ministry did not have adequate processes for monitoring provincial policing services delivered by the RCMP and included five recommendations. By September 12, 2014,[2] as reported in our *2014 Report – Volume 2*, Chapter 50, the Ministry had implemented four of those five recommendations. It had not yet verified that costs charged by the RCMP for provincial policing were accurate.

This chapter describes our follow-up of management's actions on this recommendation.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's progress towards meeting our recommendation, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit. We based our findings on our examination of the Ministry's processes, relevant documentation, and discussions with officials.

3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the

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[1] *Ministry of Justice Annual Report for 2015-16*, p. 22.
[2] This was the date of our last follow-up.

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recommendation at September 30, 2016, and the Ministry's actions up to that date. We found that the Ministry implemented the recommendation.

3.1 Costs Charged by the RCMP Verified

We recommended that the Ministry of Justice (formerly the Ministry of Corrections, Public Safety and Policing) verify that costs charged by the Royal Canadian Mounted Police for provincial policing are accurate. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented

Effective April 1, 2012, the Ministry entered into a 20-year agreement with Public Safety Canada for the services of the RCMP. The agreement sets the overarching principles for accountability and contains various provisions that provide the Ministry with the ability to verify costs charged by the RCMP.

Since late 2014, the Ministry implemented the following processes to monitor the costs charged by the RCMP:

- Each month and at year-end, the Ministry receives, from the RCMP, budget reports of expenses for providing provincial policing. These reports compare spending to date to the prior period; and forecast for the year to the approved annual budget. The Ministry now requires these financial reports to include documented analysis clearly explaining significant spending variances. This additional information provides the Ministry with sufficient information to assess whether the costs charged by the RCMP for provincial policing are accurate.

- In 2015-16, the Ministry began restricting funding for specific RCMP initiatives (e.g., traffic safety). We found the Ministry reviewed actual costs associated with these initiatives to monitor whether the RCMP used the funding as intended. The Ministry's monitoring of this funding resulted in $837,000 being returned to the Ministry in 2015-16.

- The Ministry had developed an understanding of the RCMP's financial management policies. The RCMP's internal audit division performs periodic internal audits of RCMP detachments to assess compliance with these financial management policies. We found the Ministry reviews the results of these internal audits to assess the significance of identified non-compliance and obtain assurance surrounding the RCMP's implementation of financial policies.

- The Ministry is a member of the RCMP Contract Management Committee. It also continues to employ an individual who acts as a liaison with the RCMP, and is responsible for gathering financial information relating to the services provided by the RCMP.

The processes described above assist the Ministry with assessing the accuracy of the costs charged by the RCMP and reducing the risk of overpaying.

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Chapter 41
Prairie North Regional Health Authority—Hospital-Acquired Infections

1.0 MAIN POINTS

By July 29, 2016, Prairie North Regional Health Authority (Prairie North) had implemented all recommendations outstanding at August 2013 (our last follow-up). We initially made these recommendations in our 2011 audit of Prairie North's processes to protect patients from hospital-acquired infections.

By July 2016, Prairie North had formalized its processes to consistently monitor and report its key practices to control hospital-acquired infections. It also provided senior management with a written analysis of emerging risks based on trends and causes of hospital-acquired infections.

2.0 INTRODUCTION

Under *The Regional Health Services Act*, in common with other regional health authorities (RHAs), Prairie North is responsible for the quality of care and patient safety including infection control. A hospital-acquired infection is a risk that hospitals must control to manage health care economically and safely for patients.

In 2011, we made six recommendations to help Prairie North strengthen its processes to protect patients from hospital-acquired infections.[1] Our first follow-up, reported in our *2013 Report – Volume 2*, Chapter 42, found that by August 2013, Prairie North had implemented four of the six recommendations.

This chapter reports the results of our second follow-up on the remaining two recommendations. To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Prairie North's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Prairie North's management agreed with the criteria in the original audit.

To perform our follow-up on our recommendations, we discussed actions taken with management and reviewed relevant documentation (e.g., policies and procedures, equipment audit results, reports to senior management).

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 29, 2016, and Prairie North's actions up to that date. We found that Prairie North had fully implemented the two remaining recommendations.

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[1] See our *2011 Report – Volume 2*, Chapter 14F for the results of the initial audit. In this audit, we concluded that Prairie North had effective processes to protect patients from hospital-acquired infections except for its accountability process, training plan, monitoring practices, and reporting sufficient information about hospital-acquired infections to help analyze and report emerging risks.

3.1 Formalized Monitoring and Reporting on Hospital-Acquired Infections

We recommended that Prairie North Regional Health Authority formalize its processes to monitor and report consistently its key practices to control hospital-acquired infections. (2011 Report – Volume 2; Public Accounts Committee agreement August 28, 2012)

Status – Implemented

Prairie North formalized its monitoring and reporting on whether its staff used correct hand washing methods through its hand hygiene observation audits. In 2015, Prairie North had an average of 93% hand hygiene compliance.

In September 2013, Prairie North implemented policies and procedures for cleaning and disinfecting equipment to prevent transmission of infections. They set out the list of various equipment and devices, the minimum cleaning and disinfection level, and the minimum frequency of cleaning required. For example, blood pressure cuffs require cleaning and low-level disinfection between patients and when soiled.

Twice a year, Prairie North conducts equipment audits to monitor compliance with the policies and reports the results to senior management. Each report notes the date of the audit, the facility, areas audited (e.g., rooms, wings), equipment audited, the compliance rate, and recommendations for improvement. In 2015, the compliance rate for Prairie North's three acute care facilities[2] ranged from 95% to 100%.

3.2 Written Analysis Regularly Provided to Senior Management

We recommended that Prairie North Regional Health Authority regularly provide to senior management a written analysis of emerging risks based on trends and causes of hospital-acquired infections. (2011 Report – Volume 2; Public Accounts Committee agreement August 28, 2012)

Status – Implemented

On a quarterly basis, Prairie North reports to senior management on its Infection Prevention and Control Program (Program). The quarterly reports set out the hospital-acquired infections by infection type (e.g., bloodstream, wound, and skin) by each acute care facility. The reports also include, by month, the rate of new cases for the four main hospital-acquired infections (MRSA, VRE, CD, and ESBL).[3]

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[2] The acute care facilities are located in North Battleford, Lloydminster, and Meadow Lake.

Prairie North also provides a yearly summary report to staff and senior management on the Program. The yearly summary report includes:

- Surveillance results (e.g., notes the types of hospital-acquired infections at the top three sites were wound and skin infections, CD, and surgical site infections)
- Factors that may contribute to increases in hospital-acquired infections (e.g., increase in length of patient stays, breaches in contact precautions, shared rooms)
- The five-year trend for MRSA, VRE, CD, and ESBL with reasons for large fluctuations, if any

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[3] MRSA (methicillin resistant staphylococcus aureus) is a bacteria resistant to common antibiotics that affects hearts, lungs, bones, joints, and/or bloodstream; VRE (vancomycin resistant enterococcus) is a bacteria resistant to common antibiotics that causes severe urinary tract infections; CD (clostridium difficile) is a bacterial spore that causes irritation in the bowel leading to severe cramps or diarrhea; ESBL (extended spectrum beta lactamase) is a bacteria that produces an enzyme that can break down commonly used antibiotics, such as penicillin.

Chapter 42
Prince Albert Parkland Regional Health Authority—Home-Care Services

1.0 MAIN POINTS

Prince Albert Parkland Regional Health Authority (PA Parkland) is responsible for delivering home-care services to people with healthcare needs. Home-care services include health care and support services to help people maintain independence and well-being in the community. Lack of effective processes to provide timely and appropriate home-care services could result in increased healthcare costs and increased risk of poor health outcomes for residents in the region.

By September 2016, PA Parkland had made significant improvements to its delivery of home-care services. It had implemented nine of the twelve recommendations we first made in 2014 related to the provision of timely and appropriate home-care services.

PA Parkland needs to do further work in the following areas:

- Consistently complete the required needs assessments
- Review and approve home-care plans
- Prepare and approve work schedules consistent with home-care plans

2.0 INTRODUCTION

In our *2014 Report – Volume 2*, Chapter 36, we assessed PA Parkland's processes to provide timely and appropriate home-care services. We concluded that, for the period of August 1, 2013 to July 31, 2014, PA Parkland had effective processes to provide timely and appropriate home-care services except in a few identified areas. We made 12 recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate PA Parkland's progress towards meeting our recommendations, we used the relevant criteria from the original audit. PA Parkland's management agreed with the criteria in the original audit.

To perform our follow-up, we discussed actions taken with management and key staff. We reviewed relevant documentation (e.g., policies and procedures, reports, survey and audit results) and sampled home-care client files.[1]

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[1] Our Office took steps to respect the confidentiality of home-care clients.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 30, 2016, and PA Parkland's actions up to that date. We found that the PA Parkland had implemented nine of the twelve recommendations.

3.1 Policies and Procedures Maintained; Aligned with Provincial Guidelines

We recommended that Prince Albert Parkland Regional Health Authority maintain policies and procedures related to care planning for home-care services that align with the Ministry of Health's Home Care Policy Manual. (2014 Report – Volume 2, p. 261; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In 2015-16, PA Parkland reviewed and updated its policies and procedures related to care planning for home-care services. It also updated the policies and procedures to align with the Ministry of Health's *2015 Home Care Policy Manual*. For example, PA Parkland established policies and procedures relating to the development of home-care plans and set requirements for reviews and reassessments of its home-care clients to ensure changing needs are being met.

3.2 Needs and Trends Identified

We recommended that Prince Albert Parkland Regional Health Authority establish a process to identify home-care service needs and trends in the region. (2014 Report – Volume 2, p. 262; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In 2015, PA Parkland developed a report about the needs and trends related to home-care services. The report provided information on demographics within the region, health indicators (e.g., morbid obesity, diabetes), and challenges (financial, technological and social) faced by home-care services.

Management indicated that it expects to update and review this report bi-annually.

3.3 Training Plan Developed

We recommended that Prince Albert Parkland Regional Health Authority develop a training plan to provide consistent training to its staff delivering home-care services across the region. (2014 Report – Volume 2, p. 263; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In April 2016, PA Parkland developed an annual training plan (a calendar of training from April 2016 to March 2017) to help manage training needs for staff delivering home-care services. PA Parkland tracks the training that has been taken to date and what additional training is required for each employee. It uses this information to update its training plan on a monthly basis.

3.4 All Needs Assessments Not Completed as Required

We recommended that Prince Albert Parkland Regional Health Authority follow its established policies and procedures and complete the needs assessments as required for home-care services. (2014 Report – Volume 2, p. 264; Public Accounts Committee agreement September 17, 2015)

Status – Partially Implemented

PA Parkland uses assessment tools to assess home-care service needs and staff safety. It requires the completion of the following assessments for each client:

- In-home safety assessment: This assesses the safety of the home for home-care staff delivering the service. A safe-visit plan is completed when a risk is identified during the in-home safety assessment.
- Fire safety plan: The plan sets out what to do in the case of a fire in the client's home. It must list two escape routes, emergency numbers, smoke detector locations, and if the detectors are operational.
- Falls risk screen: This assesses the client's risk of falling. If the client has fallen in the home, a falls follow-up plan is to be used within 24 hours.
- TLR (transferring, lifting, repositioning) mobility assessment: This determines the appropriate means of moving—transferring, lifting, and repositioning—the client.
- Medication risk assessment: This screening tool determines whether the client is at high risk for medication errors.

We found that PA Parkland completed the in-home safety assessment and the fire safety plan 100% of the time for the client files sampled. However, we found that it did not always complete other required assessments. For example, for the client files sampled:

- 43% did not have a falls risk assessment completed
- 29% did not have the TLR mobility assessment completed
- 14% did not have the medication risk assessment completed

By not completing all of the required needs assessments, clients may not receive all the required services. Clients and staff may also be at risk of injury.

3.5 Review and Approval of Home-Care Plans Needed

We recommended that Prince Albert Parkland Regional Health Authority require the review and approval by a supervisor of home-care plans. (2014 Report – Volume 2, p. 265; Public Accounts Committee agreement September 17, 2015)

Status – Partially Implemented

We recommended that Prince Albert Parkland Regional Health Authority prepare and approve work schedules consistent with home-care plans. (2014 Report – Volume 2, p. 265; Public Accounts Committee agreement September 17, 2015)

Status – Partially Implemented

In June 2016, PA Parkland developed a new template for home-care plans. The template includes setting out expected tasks and, for each task, when (e.g., between 7:00 am and 9:30 am) to do the task, and the approximate length of time (e.g., 0.5 hours) it should take. It requires staff to forward the completed home-care plan to its scheduling department.

Management stated a senior scheduler is now in place to oversee scheduling. The senior scheduler makes sure what is in the home-care plan is properly outlined in the work schedule. In July 2016, PA Parkland also developed procedures that require managers to review all services set up in client's homes. It also requires home-care teams to review client care plans at monthly team conferences.

For the client files sampled, we found that 86% of the home-care plans did not set out the estimated time required for each task (e.g., time required for assisting the client with compression stockings). We also found that, in all instances, supervisors did not review and approve home-care plans.

Lack of review and approval of home-care plans increases the risk of errors in the home-care plans and the schedules that could result in harm to clients.

3.6 Co-ordination with Other Service Providers Improved

We recommended that Prince Albert Parkland Regional Health Authority implement a process to co-ordinate and communicate home-care needs of clients with other service providers in the region. (2014 Report – Volume 2, p. 266; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

We recommended that Prince Albert Parkland Regional Health Authority work with the Ministry of Health and other regional health authorities for co-ordination and communication of home-care needs of its clients. (2014 Report – Volume 2, p. 266; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In 2015, PA Parkland standardized its communication process to initiate home-care services prior to discharge from acute care. Staff are to use emails to communicate between acute care and home care (e.g., send an email when admitting an existing client). PA Parkland also developed procedures for staff to assist with discharging clients from acute care. Staff go to the hospital to assess the client's anticipated needs and develop a home-care plan based on the anticipated discharge date.

PA Parkland, through a quality improvement program, is measuring if appropriate home-care services are scheduled in a safe and timely manner for patients in acute care waiting for discharge. For example, one measure is the time from when hospital staff call for assessment until the home-care assessor visits. PA Parkland has set targets and monitors if the targets are met in its progress reports. If targets are not met, the progress reports notes the issues or barriers, along with action items.

In early 2016, the Health Quality Council provided the RHAs with a reference guide for RHA staff. The reference guide outlines principles and processes relating to transferring patients within (intra-regional) or between regions (inter-regional). It sets out sample standardized processes and documents to support the transfer process. Management indicated that the Provincial Stakeholders Advisory Group[2] is planning to review both intra- and inter-regional transitions.

The Ministry of Health also established the Supportive Services Committee. The Committee is comprised of Ministry staff, and directors of home care and long-term care. It meets twice a year. This Committee provides information, shares ideas, and contributes to ongoing improvement to home care services. It also presents an opportunity for its members to network, discuss challenges, and learn from each other.

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[2] The Provincial Stakeholders Advisory Group consists of members from Health Quality Council and Regional Directors and Vice Presidents of health regions across the province.

3.7 Home-care Files Regularly Reviewed

We recommended that Prince Albert Parkland Regional Health Authority regularly review home-care client files as part of monitoring staff performance. (2014 Report – Volume 2, p. 266; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In 2016, PA Parkland developed procedures for auditing client records for quality improvement (i.e., chart audits). PA Parkland uses these chart audits to determine what is done and what can be done better. For example, the chart audits measure the number of required needs and safety assessments completed on admission to home care and the number of times contact was made with the client within 24 hours of referral. We found that PA Parkland is completing chart audits on a monthly basis.

Management indicated meetings between staff and supervisors take place when deviations and performance issues are noticed during a chart audit.

3.8 Regular, Written Feedback Obtained

We recommended that Prince Albert Parkland Regional Health Authority seek regular, written feedback from current and past home-care clients, including information about the timeliness and appropriateness of home-care services. (2014 Report – Volume 2, p. 267; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

Since our 2014 audit, PA Parkland has developed and completed regional surveys for the following clients:

- Discharged clients (i.e., client experience survey)
- Treatment room clients (i.e., clients receiving care at the regional office)
- Clients receiving meals on wheels

PA Parkland conducts the client experience survey monthly and reports the results quarterly, treatment room client surveys are done as new clients come in, and the clients receiving meals on wheels survey is done once every two years.

We found that all the surveys include questions that relate to timeliness and appropriateness of home-care services.

3.9 Complaints Tracked and Analyzed

We recommended that Prince Albert Parkland Regional Health Authority implement a process to track and analyze complaints related to home-care services. (2014 Report – Volume 2, p. 268; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

In June 2016, PA Parkland developed concern-handling forms. Staff document the complaint/concern, the client involved, who initiated the complaint, how the complaint was received (e.g., written, telephone, in person), and how the complaint was resolved. Staff also determine the type of concern (e.g., staff performance, miscommunication, service delivery). PA Parkland tracks this information, for each of the concerns, in an excel spreadsheet.

PA Parkland uses this spreadsheet to review the numbers and types of concerns to look for trends and to make improvements where necessary. Starting in September 2016, PA Parkland analyzed the concerns by type of concern, the root cause, and the corrective action required. This analysis was discussed at the monthly management meeting. Management indicated they plan to have this type of analysis and discussions at each month's management meeting.

3.10 Key Information Identified and Collected

We recommended that Prince Albert Parkland Regional Health Authority identify and collect key information to analyze the quality of its home-care services. (2014 Report – Volume 2, p. 268; Public Accounts Committee agreement September 17, 2015)

Status – Implemented

Since our audit in 2014, PA Parkland has done good work to identify and collect key information to analyze the quality of its home-care services. For example, PA Parkland has:

- Developed a report about the needs and trends related to home-care services (see **Section 3.2**)
- Implemented monthly chart audits for quality improvement (see **Section 3.7**)
- Expanded its client satisfaction surveys to have feedback from both current and past home-care clients (see **Section 3.8**)

PA Parkland has set targets and continues to track, on a monthly basis:

- Nursing hours and the number of visits to understand workloads and caseloads

- The percentage of medication risk assessments completed on admission to home care, and the percentage of medication reconciliations completed on high-risk clients to improve medication safety for clients

PA Parkland monitors progress towards achieving service delivery targets as part of visual wall walks.[3]

The Medication Assistance Program has also undergone revision due to medication errors highlighted by tracking and analyzing events, and relevant standard work practices have been revised.

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[3] A visual wall walk is a short, stand-up meeting which brings an area manager and staff together at the same time each day or week. The manager reviews the team's progress towards achieving regional or unit targets displayed on the area's visibility wall.

Chapter 43
Saskatchewan Indian Gaming Authority Inc.— Information Technology Threat and Risk Assessment

1.0 MAIN POINTS

The Saskatchewan Indian Gaming Authority Inc. (SIGA) uses IT extensively to carry out its business.[1]

By October 5, 2016, SIGA had implemented all four recommendations we first made in our 2012 audit of its IT threat and risk assessment processes. SIGA has approved an IT risk assessment policy, assessed its IT risks, developed responses to those risks, reported its risk assessment to senior management, and monitored its risks. These improved processes help SIGA understand its IT risks and sufficiently plan to respond to them to keep its IT systems available and secure.

2.0 INTRODUCTION

This chapter describes our second follow-up[2] of management's actions on the recommendations we made in our *2012 Report – Volume 2,* Chapter 35, related to SIGA's IT threat and risk assessment processes.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SIGA's progress towards meeting our recommendations, we used the relevant criteria from the 2012 audit. SIGA's management agreed with the criteria in the 2012 audit. We discussed the key actions taken with management and reviewed supporting documentation.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at October 5, 2016, and SIGA's actions up to that date. We found that SIGA had implemented all four recommendations.

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[1] SIGA operates six First Nations casinos in Saskatchewan.
[2] We last followed up on management's actions in 2014.

3.1 IT Risk Assessment Policy Approved

We recommended that the Saskatchewan Indian Gaming Authority fully document and approve its plan for assessing the risks to its business from vulnerabilities to its information technology systems. (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

We expected SIGA's IT risk assessment plan to include timelines, expected participants, scope, and planned steps. We also expected the plan would be approved by management.

By October 2016, SIGA's IT Policy Review Committee[3] had approved an IT risk assessment policy. The IT risk assessment policy:

- Included a timeline to complete risk assessments (e.g., upon initial acquisition of a new IT system or when a significant change is made)
- Assigned responsibility to its Senior Vice-President of Information Technology to monitor compliance with policy
- Defined the scope of information systems and information system components that require risk assessment (e.g., infrastructure hardware and application software, including cloud-based applications)
- Provided detailed guidelines for completing its IT risk assessment (e.g., identify and document potential threats and vulnerabilities, estimate the likelihood each vulnerability will occur, estimate each vulnerability's impact on operations, etc.)

3.2 IT Risk Assessment Complete

We recommended that the Saskatchewan Indian Gaming Authority follow its policies by documenting its analysis of the impact and likelihood for information technology risks and developing responses for significant risks. (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

Since 2014, SIGA followed its policy and documented its IT risk assessment in an IT risk register. SIGA's IT risk register includes analysis of the impact and likelihood for IT risks it faces, the planned responses to the identified risks, and the estimated residual risks that require further action or acceptance.

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[3] SIGA's IT Policy Review Committee consists of the: Vice President of IT of Business Development, Director of IT (Infrastructure), Director of Security and Quality Assurance, Director of Business Applications, and Manager of Technical Services.

3.3 IT Risk Assessment Results Reported to Senior Management

We recommended that the Saskatchewan Indian Gaming Authority report to senior management:

- The impact of significant information technology risks
- Responses taken for those risks
- The estimated residual risk (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013

Status – Implemented

SIGA presented its IT risk register to senior management in January 2016. SIGA reported the impact of significant IT risks and responses taken for those risks. In October 2016, SIGA communicated the estimated residual risk to senior management.

3.4 IT Risk Assessment Monitored

We recommended that Saskatchewan Indian Gaming Authority assess the effectiveness of its information technology risk assessment processes and monitor its significant risks on an on-going basis. (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

SIGA assessed the effectiveness of its existing risk assessment process. Based on its assessment, it completed its IT risk assessment policy as described in **Section 3.1**. The policy requires management to annually review its risk assessment processes.

In June 2016, SIGA IT management reviewed its IT risk register. Management reviewed the risks and mitigating strategies to determine if additional or alternative mitigating strategies were required or if there were any additional risks to include in its IT risk register.

Chapter 44

Saskatchewan Rivers School Division No. 119—Maintaining Facilities

1.0 MAIN POINTS

Saskatchewan Rivers School Division No. 119 (Saskatchewan Rivers, Division) is responsible for maintaining facilities necessary for the educational programs and instructional services it provides. This includes 32 schools located in 17 communities, its school division office, and support and maintenance service buildings located in Prince Albert.

By June 30, 2016, Saskatchewan Rivers had implemented one of five recommendations we made in our 2014 audit of its processes to maintain facilities. It was actively working on and making progress towards:

- Establishing written processes for gathering and recording reliable information about its facilities and components (e.g., condition, required maintenance, and completed maintenance), determining maintenance priorities and its maintenance plan, and monitoring timely completion of maintenance

- Setting performance measures and targets for monitoring the effectiveness of its maintenance processes

Effective maintenance processes help enhance the future viability and safety of schools, improve the quality of space, protect against loss of facility value or service life (i.e., replacing a facility earlier than intended), and limit repair costs in the future.

2.0 INTRODUCTION

This chapter describes our follow up of management's actions on five recommendations made in our 2014 audit of Saskatchewan Rivers' processes to maintain its facilities. Our *2014 Report – Volume 2*, Chapter 37 concluded that Saskatchewan Rivers had effective processes to maintain its facilities except for the five recommendations made.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Saskatchewan Rivers' progress towards meeting our recommendations, we used the relevant criteria from the 2014 audit. Saskatchewan Rivers' management agreed with the criteria in the 2014 audit.

We examined Saskatchewan Rivers' reports and documents that relate to the maintenance of facilities. We also interviewed staff responsible for the maintenance of facilities.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2016, and Saskatchewan Rivers' actions up to that date. We found that Saskatchewan Rivers had implemented one recommendation, and was in the process of implementing the other four recommendations.

3.1 Maintenance System and Procedures Being Updated

We recommended that Saskatchewan Rivers School Division No. 119 establish written processes for gathering and recording reliable information about facilities and components. (2014 Report – Volume 2, p. 278; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

We recommended that Saskatchewan Rivers School Division No. 119 establish written processes for determining its facility maintenance priorities and developing its maintenance plan. (2014 Report – Volume 2, p. 279; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

We recommended that Saskatchewan Rivers School Division No. 119 establish written processes for monitoring the timely completion of maintenance of its facilities. (2014 Report – Volume 2, p. 281; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

Saskatchewan Rivers uses an electronic asset maintenance system (Maintenance System) to manage and track its maintenance activities. At June 2016, the Division was working with its Maintenance System staff to revise the system to include:

- Additional information about facilities and components (e.g., age, condition)
- Needs, actions, and priorities
- Targeted and monitored levels of service (e.g., cost, completion time)

The Division indicated that it plans to conduct a survey to solicit stakeholder input about what needs it should prioritize. Once it completes the revisions to the Maintenance System, Saskatchewan Rivers plans to prepare a procedures manual to establish written processes for gathering and recording reliable information about facilities and components. It expects the procedures manual will also establish written processes for determining its facility maintenance priorities, developing a maintenance plan, and monitoring the timely completion of maintenance of its facilities. The Division indicated it plans to update and approve the procedures manual annually.

We recommended that the Board of Education of the Saskatchewan Rivers School Division No. 119 set performance measures and targets for monitoring the effectiveness of its strategies to maintain its facilities. (2014 Report – Volume 2, p. 280; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

After the implementation of the changes to the Maintenance System, including the update of the data in the System, Saskatchewan Rivers indicates it plans to set performance measures and targets for monitoring the effectiveness of its strategies to maintain its facilities.

3.2 Maintenance Reported

We recommended that the Board of Education of the Saskatchewan Rivers School Division No. 119 require periodic reports analyzing the results of its maintenance processes. (2014 Report – Volume 2, p. 282; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

The Board of Education's annual work plan includes reviewing an annual maintenance accountability report. The report includes analysis on the results of the Division's maintenance processes (e.g., number of outstanding reactionary maintenance requests, number of outstanding preventative maintenance requests, and costs of projects). We found that the Board reviewed these reports annually in 2014 and 2015.

Chapter 45
Saskatoon School Division No. 13—Goods and Services Procurement Processes

1.0 MAIN POINTS

Saskatoon School Division No. 13 (Saskatoon Public, Division) buys goods and services as part of its mandate to educate students. To manage its risks, Saskatoon Public requires effective processes to procure goods and services with due regard for obtaining best value for the school division and in a way that is fair and transparent.

In our 2014 audit of Saskatoon Public's processes for the procurement of goods and services, we made 11 recommendations. By June 30, 2016, the Division had significantly improved its procurement processes. It had implemented six recommendations, partially implemented one recommendation, and had not implemented four recommendations.

Saskatoon Public's Board needs to approve key policies related to the procurement of goods and services. The Division also needs to assess the validity of new suppliers, restrict user access to make changes to supplier information within the financial system, and establish processes to appropriately document receipt of goods and services.

2.0 INTRODUCTION

This chapter describes our follow up of management's actions on the recommendations we made in our *2014 Report – Volume 2*, Chapter 38. In that Report, we identified areas where Saskatoon Public could improve its processes for the procurement of goods and services. We made 11 recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate Saskatoon Public's progress towards meeting our recommendations, we used the relevant criteria from the 2014 audit. Saskatoon Public's management agreed with the criteria in the 2014 audit.

We examined Saskatoon Public's policies and procedures relating to the procurement of goods and services. We interviewed staff responsible for the procurement of goods and services. To test key aspects of the procurement process, we examined a sample of tender files, invoices, supplier due-diligence checklists, and financial system user access records.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2016, and Saskatoon Public's actions up to that date. We found that Saskatoon Public had implemented six recommendations and was working on the remaining five recommendations.

3.1 Purchasing Policy Needs Board Approval

We recommended that the Board of Education of Saskatoon School Division No. 13 approve the division's key policies including those related to the procurement of goods and services. (2014 Report – Volume 2, p. 292; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

Saskatoon Public separates its policies into two distinct categories—Board policies and administrative procedures. The Division's administrative procedures address purchasing and purchasing cards.

Consistent with our 2014 audit, the Board of Education (Board) continues to only approve changes to its Board policies, and delegates authority for approval of administrative procedures to the Division's senior management (through its Executive Council and Administrative Council).[1]

Senior management approved revisions to the purchasing and purchasing card policies in March 2015. As of August 31, 2016, the Board had not formally approved these revisions.

Board approval of key organizational policies is essential, as policies set out the Board's expectations for the operations of the organization. Inappropriately designed and approved procurement policies can present significant financial, legal, and reputational risks to the school division.

Management indicated that it expects the Board to approve these policies by the end of 2016.

3.2 Policies and Procedures Improved

We recommended that the Board of Education of Saskatoon School Division No. 13 approve a written delegation of authorities policy that sets out the authority for all positions involved in the procurement of goods and services. (2014 Report – Volume 2, p. 291; Public Accounts Committee agreement January 13, 2016)

Status – Partially Implemented

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[1] Membership of the Executive Council consists of the Director of Education, Deputy Director of Education, and the Chief Financial Officer. The Administrative Council consists of Executive Council members, all Superintendents and the Chief Technology Officer.

We recommended that Saskatoon School Division No. 13 update its purchasing policies to align with significant externally-imposed requirements. (2014 Report – Volume 2, p. 292; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that the Board of Education of Saskatoon School Division No. 13 implement policies and procedures to identify and address non-compliance with purchasing policies, including reporting requirements. (2014 Report – Volume 2, p. 293; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that Saskatoon School Division No. 13 establish guidance for tendering times for receiving bids from potential suppliers. (2014 Report – Volume 2, p. 296; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that Saskatoon School Division No. 13 establish minimum contract documentation requirements for the procurement of goods and services. (2014 Report – Volume 2, p. 298; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

As described in **Section 3.1**, Saskatoon Public revised its purchasing policy in March 2015. Revisions to the purchasing policy addressed several recommendations from our 2014 audit, including:

- A written delegation of authority that sets out the authority for positions involved in the procurement of goods and services. The revised policy specifies that all purchases exceeding $1,000 must be made through the Purchasing Services Branch (Purchasing Services). The revised policy delegates purchasing authority to budget managers[2] for purchases up to $100,000 and requires management to obtain Board approval of purchases exceeding $100,000.
- Reference to all significant externally-imposed requirements including the need to comply with the Agreement on Internal Trade[3] and the New West Partnership Trade Agreement.[4]

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[2] The Division defines budget managers as specific staff positions that have been given authority to make expenditures from specific budgets (e.g., in schools, the budget manager is always the school principal).

[3] The Agreement on Internal Trade is an intergovernmental agreement between the Federal Government and the provinces and territories to reduce and eliminate barriers to free movement of people, goods, services, and investments within Canada.

[4] The New West Partnership Trade Agreement is an accord between the governments of British Columbia, Alberta, and Saskatchewan that creates Canada's largest, barrier-free, interprovincial market.

- Assignment of responsibility for identifying and addressing non-compliance with policy to the Manager of Purchasing Services. The revised policy requires reporting of instances of significant non-compliance to the Chief Financial Officer. We found that Purchasing Services was monitoring compliance with the purchasing policy and following up with staff as necessary.

- Establishment of guidance for tendering times for receiving bids from potential suppliers (ranging from 7 to 21 days depending on the circumstances). The Division considered guidance within the New West Partnership Trade Agreement when revising the purchasing policy in this regard. For a sample of three tender files tested, we found that the tendering times allowed for receiving bids were appropriate.

- Clarification for when a written contract is required for the purchase of goods or services. The revised policy requires written contracts when the term of the purchase exceeds one year, or includes complex conditions; otherwise, staff can use a purchase order. The revised policy requires the Manager of Purchasing Services to consult with the Division's legal counsel when establishing contract terms and conditions. Legal counsel reviewed the Division's contract templates in June 2015.

As previously noted, Board approval of key organizational policies is essential, as policies set out the Board's expectations for the operations of the organization. Delegation of authority reflects a key operational policy. As indicated in **Section 3.1**, management expects the Board to approve its purchasing policy (including its delegation of authority) by the end of 2016.

3.3 Documentation on Tendering Decisions Retained

We recommended that Saskatoon School Division No. 13 document its analysis and decisions for the awarding of all tenders and retain this documentation in accordance with its document retention policies. (2014 Report – Volume 2, p. 297; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that Saskatoon School Division No. 13 require appropriate written approval be obtained for the selection of suppliers before communicating purchasing decisions with suppliers. (2014 Report – Volume 2, p. 298; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

For a sample of three tender files tested, we found Division staff documented the analysis and decisions for the awarding of tenders and retained the documentation. Also, Purchasing Services obtained written approval of supplier selection from the requesting departments before communicating purchasing decisions to suppliers.

3.4 Supplier Management Needs Improvement

We recommended that Saskatoon School Division No. 13 follow its established procedures for assessing the validity (e.g., existence, ownership) of suppliers. (2014 Report – Volume 2, p. 299; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

For six of seven new suppliers tested (86% of our sample), we found that Purchasing Services did not complete its application form or due-diligence checklist. These findings are consistent with our 2014 audit.

If established procedures concerning the review of new suppliers are not adhered to, there is increased risk that inappropriate suppliers may be authorized and created within the financial system. Use of inappropriate suppliers increases the risk of making fraudulent payments.

We recommended that Saskatoon School Division No. 13 periodically assess the appropriateness of user access to make changes to the suppliers within the financial system (e.g., create, edit). (2014 Report – Volume 2, p. 299; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

Saskatoon Public's procedures require Purchasing Services staff to make changes to suppliers within the financial system (e.g., create, edit).

For the financial system user access report tested, we found staff who work outside of Purchasing Services (e.g., accounts payable staff), as well as terminated staff, continued to have access to make changes to supplier information (e.g., add new suppliers, change address of an existing supplier).

We found staff outside of Purchasing Services do not need this access to carry out their assigned duties. In addition, granting such access to staff with the ability to approve or enter payments into the financial system is not appropriate as these are incompatible duties. Giving incompatible duties to one individual (e.g., the ability to change suppliers and to record transactions in a financial system) or not promptly removing access from terminated staff increases the risk of fraud and undetected errors.

3.5 Goods and Services Received Not Appropriately Documented

We recommended that Saskatoon School Division No. 13 establish processes to appropriately document receipt of goods and services. (2014 Report – Volume 2, p. 300; Public Accounts Committee agreement January 13, 2016)

Status – Not Implemented

Saskatoon Public has not established processes to document the receipt of goods and services. We found that the Division continues to allow the purchase of goods or services to be received and approved for payment by the same individual (i.e., incompatible duties are not separated). Not requiring separate individuals to document receipt and approval of purchases increases the risk of fraudulent activities (e.g., purchasing goods that do not have a business purpose or are for personal use).

In addition, as of June 30, 2016, the Division office continued to pay invoices for office supplies before confirming the receipt of the goods with schools. For the 10 months ended June 30, 2016, Saskatoon Public paid $679,000 to its office supplies vendor. Not confirming receipt of goods before making payment increases the risk of paying for goods it has not received.

Purchasing Services is only informed about inconsistencies between what was ordered and received by the schools on an exception basis.

At July 2016, Division officials indicated the Division was considering using purchasing cards issued to staff throughout the Division to buy office supplies.

Chapter 46
South East Cornerstone School Division No. 209—Promoting Positive Student Behaviour

1.0 MAIN POINTS

Student behavior influences the extent and quality of education received by students. Promoting positive student behaviour and addressing problem behaviour is paramount in encouraging student success and providing a safe learning environment at schools.

This chapter sets out the status of nine recommendations we first made in 2014 to improve South East Cornerstone School Division No. 209's (Division, South East Cornerstone) processes for promoting positive student behaviour.

By September 15, 2016, the Division had implemented all nine recommendations. Its schools have developed Safe and Caring School Charters. Complete documentation of decisions and steps taken to support positive student behaviour is required in all student files. Also, it has developed an escalation process to address continuing problem student behaviour. In addition, it has set clear expectations for training staff on student behaviour initiatives, and keeps records of who received such training easily accessible at schools. The Division tracks student behaviour, analyzes this information and reports results of its student-behaviour initiatives to its Board.

2.0 INTRODUCTION

The Education Act, 1995 (Act) sets expectations regarding student attendance and behaviours, and gives school boards powers relating to student discipline.

South East Cornerstone has 38 schools in 27 communities and an approximate enrolment of 8,200 students.[1] In our *2014 Report – Volume 2*, we concluded that, for the period of February 1, 2013 to August 31, 2014, South East Cornerstone had effective processes for promoting positive student behaviour at school except in a few identified areas.[2] We made nine recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Division's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Division's management agreed with the criteria in the original audit. We interviewed staff, reviewed relevant documents, and visited three schools.

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[1] www.cornerstonesd.ca/DivisionInformation/Pages/default.aspx (15 September 2016).
[2] *2014 Report – Volume 2*, Chapter 39.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 15, 2016, and the Division's actions up to that date. We found the Division had implemented all nine recommendations.

3.1 Requirements for Acceptable Student Behaviour Established

We recommended that South East Cornerstone School Division No. 209 check that its schools follow established policy requiring each school to develop a charter and communicate expectations for student behaviour. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would have processes to help schools develop and communicate school charters—school charters would outline expectations for student behaviour.

In 2015, the Division established a Safe School Committee comprised of both Division staff and school administrators. Also, it developed a template to assist schools in developing a Safe and Caring School Charter (Charter). The template sets out the required elements of a Charter. Some of the required elements include a belief statement, teaching skills for positive student behaviour intervention strategies, assessment of school climate, roles and responsibilities, and discipline procedures.

The Division expects each school:

- To develop a Charter using the template in conjunction with its School Community Council (SCC)[3]
- To review and update its Charter annually—it documented this expectation in its Continuous Improvement Plan and on its annual schedule for monthly superintendent and administrators meetings.

All eight of the schools we tested had established a Charter. Each of those Charters aligned with the Division requirements, and was approved by both the Chairperson of the school's SCC and the school administrator (Principal). Each school had posted its Charter on its website.

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[3] School Community Councils are comprised of elected individuals from the community and school administrators who help advance the educational objectives of their school.

3.2 Training Requirements Identified

We recommended that South East Cornerstone School Division No. 209 set training expectations for initiatives to promote and support positive student behaviour (e.g., number of staff in each school required to be trained or guidance to assist in determining the appropriate number of staff to train). (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that South East Cornerstone School Division No. 209 maintain records listing staff trained in initiatives to promote and support positive student behaviour and make such records readily available at schools. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would set training expectations for initiatives that promote and support positive student behaviour. We also expected it would provide the training information to its schools and clearly identify which school staff were trained and in what initiatives.

We found the Division had identified training needs for teachers and administrators based on each individual's role and school needs. For example, it identified training in Quality Behavioural Solutions as key for student services counsellors; it made Violent Threat Risk Assessment training mandatory for all superintendents, administrators (i.e., principals and vice-principals) and student services counsellors and for an additional two teachers per school per year.

We saw evidence of its identification and tracking of the training. We found it gave school administrators a record of school-specific training which listed the training that teachers and administrators had received. The Division indicated it planned to provide an updated record each year.

3.3 Performance of Behaviour Initiatives Monitored

We recommended that South East Cornerstone School Division No. 209's Director of Education follow established policy that requires development of measures for assessing the performance of initiatives used to promote and support positive student behaviour. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would assess the performance of initiatives used to promote and support positive student behaviour.

By September 2015, the Division had fully implemented Review 360, a web-based behaviour management IT system. Review 360 tracks key information about student behavior. Using information entered into Review 360, the Division can identify types of behaviours that are increasing and identify methods to reduce certain incidents. For example, the Division had identified the top four behavioural incidents (e.g., disobedience, disrespect) in schools and are working with schools to reduce those types of incidents. In addition, by using information in Review 360, it assesses the success of its student-behaviour initiatives.

3.4 Action Plans Monitored

We recommended South East Cornerstone School Division No. 209 check that schools follow established policy requiring them to develop action plans, in cooperation with School Community Councils, to respond to issues identified in assessments of school culture and environment. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would monitor whether schools are developing action plans in response to the *Tell Them From Me* survey.[4]

We found that the Division superintendents have an annual schedule setting out items they discuss each month with school administrators. The schedule includes discussions about the *Tell Them From Me* survey results and resulting action plans. We found schools were developing action plans in conjunction with their SCCs, and they posted these action plans on school bulletin boards.

3.5 Documentation and Communication Completed

We recommended that South East Cornerstone School Division No. 209 require consistent documentation in the student file (student cumulative record) of the decisions and steps taken to support positive student behaviour. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would require consistent student file documentation to support decisions and actions taken to support positive student behavior.

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[4] Students in grades 4-12 complete the *Tell Them From Me* survey; the survey asks questions about how they perceive the school climate (e.g., safety, bullying).

We found that the Division implemented a Cumulative Record Log. The Log, a checklist, lists what to include in each student's file (e.g., report cards, support plans, parent consent forms) and what to keep in a file (e.g., report cards, support plans). The Division expects teachers to complete the checklist at the beginning and end of the school year (i.e., September/June).

We found all 15 of the files we reviewed had completed Cumulative Record Logs as expected.

We recommended that South East Cornerstone School Division No. 209 implement and communicate a consistent escalation process for addressing continuing problem behaviour. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected that South East Cornerstone would implement and communicate a consistent process for how to correctly address escalating instances of problem behavior.

The Division held a continuous improvement event in the spring of 2015 to review its student intervention cycle. The event resulted in the creation of a Student Success Process (SSP). The SSP outlines steps that classroom teachers can take, and triggers for involving school or Division supports (e.g., counsellors, educational consultants).

We found the Division communicated, though a variety of methods (e.g., its intranet, and administration and board meetings), the SSP and companion documents to administrators, teachers, staff, and others.

3.6 Effectiveness of Student-Behaviour Actions Monitored

We recommended that South East Cornerstone School Division No. 209 follow its established policy to analyze information on student behaviour and monitor related trends. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected the Division to follow its policy to analyze and monitor student behaviour trends.

As discussed in **Section 3.3**, the Division has implemented Review 360 and is analyzing information on student behavior to identify and monitor trends.

We recommended that South East Cornerstone School Division No. 209 follow its established policy to track and report to its Board of Education on the performance of its initiatives to promote positive student behaviour. (2014 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We expected the Division to track and report to the Board on the success of initiatives to promote positive student behaviour.

The Division has implemented a process with its Board to discuss the Division's performance including the performance of its student behaviour initiatives. It posts Division data reports on the walls in the Division office and management discusses this information with its Board at least three times per year.

We noted reports include information about students' sense of belonging, student-teacher relations, and student anxiety levels.

Chapter 47
Water Security Agency—Co-ordinating Flood Mitigation

1.0 MAIN POINTS

The Water Security Agency (Agency) is mandated to promote and co-ordinate the management, administration, development, conservation, protection, and control of water within the province. As part of its mandate, the Agency is responsible for co-ordinating flood mitigation in the province.

In 2014, we audited the effectiveness of the Agency's processes to co-ordinate flood mitigation. We made two recommendations. By September 23, 2016, the Agency improved some of its flood mitigation processes. It was creating a list of municipalities with ongoing flood risks. Once the Agency completes this listing, it needs to work with others to evaluate gaps in flood mitigation initiatives in municipalities with ongoing flood risks.

2.0 INTRODUCTION

This chapter describes our first follow-up of management's actions on the two recommendations we made in our *2014 Report – Volume 2*, Chapter 40, resulting from our audit of the Agency's processes to co-ordinate flood mitigation.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Agency's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit. To carry out this engagement, we discussed with management the actions taken by the Agency to implement our recommendations, and examined related documents.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendations, the status of the recommendations at September 23, 2016, and the Agency's actions up to that date.

3.1 Identification of Ongoing Flood Risk Areas Improving

> We recommended that the Water Security Agency work with others (e.g., municipalities and the Ministry of Government Relations) to determine and document municipalities with ongoing flood risks. (2014 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)
>
> **Status** – Partially Implemented

We expected the Agency to have a formal record of municipalities that have experienced damage from floods or that face an ongoing risk of damage from floods.

Since 2014, the Agency started to identify and document which communities are prone to flooding and to assess their risks. Its draft listing contained and assessed risks of approximately 85 communities. The listing included risk information for each community such as community population and recent flood experiences (e.g., frequency and impact of recent flooding events).

By September 23, 2016, the Agency had not finalized its listing. Management indicated the Agency expected to approve the final listing in 2016-17.

Such a record would aid the Agency in determining where to plan and prioritize future flood mitigation initiatives with others (e.g., Ministry of Government Relations).

3.2 Evaluation of Flood Mitigation Initiatives Needed

We recommended that the Water Security Agency work with others (e.g., municipalities and the Ministry of Government Relations) to evaluate gaps in flood mitigation initiatives in municipalities with ongoing flood risks. (2014 Report – Volume 2; Public Accounts Committee agreement January 14, 2016)

Status – Not Implemented

We expected the Agency to evaluate gaps in flood mitigation initiatives in municipalities with ongoing flood risks.

By September 2016, the Agency had not finalized its list of municipalities with ongoing flood risks. Once it does, it needs to evaluate gaps in flood mitigation initiatives to protect areas at risk.

Confidentiality notice: This may contain confidential information exempt from disclosure under *The Provincial Auditor Act*.

Chapter 48
Water Security Agency—Dam Safety

1.0 MAIN POINTS

At August 2016, the Water Security Agency (Agency) had not yet fully addressed the remaining two of four recommendations that we first made in our 2005 audit of its processes to ensure its four largest dams were safe (i.e., the Gardiner, Qu'Appelle River, Rafferty, and Alameda dams).

The Agency had developed emergency preparedness plans for each of its four major dams. By August 2016, the Agency had drafted, but not yet approved, a policy to test the plans. It indicated it planned to approve the policy by March 31, 2017.

The Agency made some progress in updating its procedure manuals for its four major dams. These procedure manuals set out procedures to operate, maintain, and monitor the dams safety. Up-to-date manuals support safe operation of the dams.

2.0 INTRODUCTION

The Agency is responsible for the safety of 49 dams that help to preserve a sustainable water supply for the province. Four of these dams are considered major in that failure of any of these dams would risk serious downstream flooding. This flooding could damage homes, businesses, crops, infrastructure, and wildlife habitat.

Our *2005 Report – Volume 1*, Chapter 3, included four recommendations we made as a result of our audit of the Agency's processes to ensure the safety of the four major dams. In 2007, 2010, 2012, and 2014, we reported on whether the Agency had implemented these recommendations. By December 2013,[1] it had implemented two of the four recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Agency's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit. During this engagement, we discussed the actions taken by the Agency to implement our recommendations, and reviewed related documentation (e.g., emergency preparedness plans).

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2016, and the Agency's actions up to that date.

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[1] December 2013 was the time of our last follow-up.

3.1 Emergency Preparedness Plans Completed But Not Tested

We recommended that the Water Security Agency (formerly Saskatchewan Watershed Authority) have up-to-date, tested emergency preparedness plans for each of its major dams (i.e., Rafferty, Alameda, Qu'Appelle River, and Gardiner). (2005 Report – Volume 1; Public Accounts Committee agreement June 21, 2005)

Status – Partially Implemented

Emergency preparedness plans (plans) set out key responses to emergency situations. They provide information on flooding, warnings and notifications, and actions to take in the event of a potential dam failure or dam failure emergency. Use of plans can safeguard lives, reduce property damage, and help local governments and other groups (stakeholders) develop their own emergency preparedness plans.

By August 2016, the Agency had plans for each of its four major dams.[2] The Agency approved the plan for the Qu'Appelle River dam in March 2014. The Agency distributed these plans to key stakeholders (e.g., Ministry of Highways and Infrastructure, local governments).

At August 2016, the Agency had drafted but not yet approved a policy to test the plans. It indicated it planned to approve the policy by March 31, 2017.

Under its draft policy, it plans to:

- Annually verify stakeholder contact information included in the plans (i.e., one of the test procedures in the plan)
- Complete advanced plan tests every four years for these four dams (e.g., stakeholder meetings, mock exercise simulating an actual emergency situation)
- Require staff to document a summary of plan tests and consider lessons learned from advanced plan tests

We found the Agency had verified, from December 2015 to February 2016, key contact information for each of its four plans. Verification work included discussing the plans with 116 key contacts. The Agency approved a Summary Report from this work in March 2016. The Summary Report included five lessons learned (e.g., suggested timing of contact verification work).

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[2] As reported in our *2014 Report—Volume 1*, Chapter 3, the Agency had completed emergency preparedness plans for three of four of its major dams by December 31, 2013.

At August 2016, the Agency had not completed any advanced plan tests. The Agency indicated that it expects to complete advanced plan testing exercises for Rafferty and Alameda dams during 2016-17 after it approves the draft policy.

3.2 Required Manuals Remain Unfinished

We recommended that the Water Security Agency (formerly the Saskatchewan Watershed Authority) set processes that ensure its manuals always include complete procedures to operate, maintain, and monitor dam safety. (2005 Report – Volume 1; Public Accounts Committee agreement June 21, 2005)

Status – Partially Implemented

Complete and current procedure manuals support the safe operation of dams. They provide staff with clear and readily accessible direction, and are a resource in the event of staff turnover.

The Agency has determined it requires 32 procedure manuals for its four major dams; these manuals include processes and procedures for dam operation, maintenance, and surveillance.[3]

At August 2016, the Agency continued to update the 32 manuals. By August 2016, it had updated 21 manuals (December 2013: 21 manuals), was actively updating 8 manuals (December 2013: 4 manuals), and had not started updating 3 manuals (December 2013: 7 manuals).[4] The Agency's schedule indicated it plans to complete the update of all manuals by 2017-18.

Once all manuals are completed, the Agency plans to implement a policy to guide how to keep the manuals up-to-date.

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[3] Dam surveillance refers to the systems that exist to monitor/assess dam performance and how and when performance monitoring is to be undertaken.

[4] The Agency includes the status of the update of these manuals as a performance measure. Its *2015-16 Water Security Agency Annual Report*, p. 13, reports on the status of this performance measure.

Chapter 49
Water Security Agency—Risks to Water Supply

1.0 MAIN POINTS

At August 2016, the Water Security Agency had implemented the two remaining recommendations that we first made in our 2010 audit of the Agency's processes to identify risks to the water supply.

The Agency publicly communicated, in the *2015 State of the Environment Report*, causes of risks to the water supply and the likelihood and impact of those risks.

2.0 INTRODUCTION

The Agency supports the protection of drinking water; flood and drought response, and management of water supplies, water quality, and aquatic habitat. The Agency also owns and operates provincial dams and water supply channels.

Our *2010 Report – Volume 2*, Chapter 19 concluded that the Agency's processes to identify risks to the water supply were not adequate. We made six recommendations. As reported in our *2013 Report – Volume 2*, Chapter 49, by September 30, 2013,[1] the Agency had implemented four of the six recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Agency's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit. To carry out this engagement, we discussed the actions taken by the Agency to implement our recommendations with management, and reviewed related documentation (e.g., *2015 State of the Environment Report*).

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendations at August 31, 2016, and the Agency's actions up to that date.

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[1] September 2013 was the time of our last follow-up.

3.1 Risks to the Water Supply Identified and Communicated to the Public

We recommended that the Water Security Agency (formerly Saskatchewan Watershed Authority) consistently document identified causes of risks to the water supply. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

Status – Implemented

We recommended that the Water Security Agency (formerly Saskatchewan Watershed Authority) communicate to the public risks to the water supply including likelihood and impact of these risks. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

Status – Implemented

The Agency previously informed the public about the state of Saskatchewan watersheds through its *2010 State of the Watershed Report* (Watershed Report).[2] The Watershed Report provided trends on the health of watersheds and the stressors that negatively impacted them.

Instead of preparing a periodic Watershed Report, the Agency contributed information on water supply to the Ministry of Environment for inclusion in the *2015 State of the Environment Report* (Environment Report).[3]

The Environment Report discusses the risks to the water supply. It outlines causes of these risks and comments on their likelihood and impact. It provides various maps displaying this information for each watershed.

In addition, it describes risks to the water supply in three main categories: water quality, water quantity, and water consumption and conservation. For example, it discusses that causes of risks to the quantity of surface water include amount of precipitation, amount of water used by humans (e.g., irrigation), etc.

The Environment Report describes that the impact of water shortages can result in deterioration in water quality and negative effects to aquatic habitat. The likelihood of low surface water quantity occurring is described for each watershed.

Also, the Agency's *25 Year Saskatchewan Water Security Plan* includes some information on causes of risks to the water supply.[4] For example, it discusses how changes such as population growth, economic growth, and climate change create risks to the water supply.

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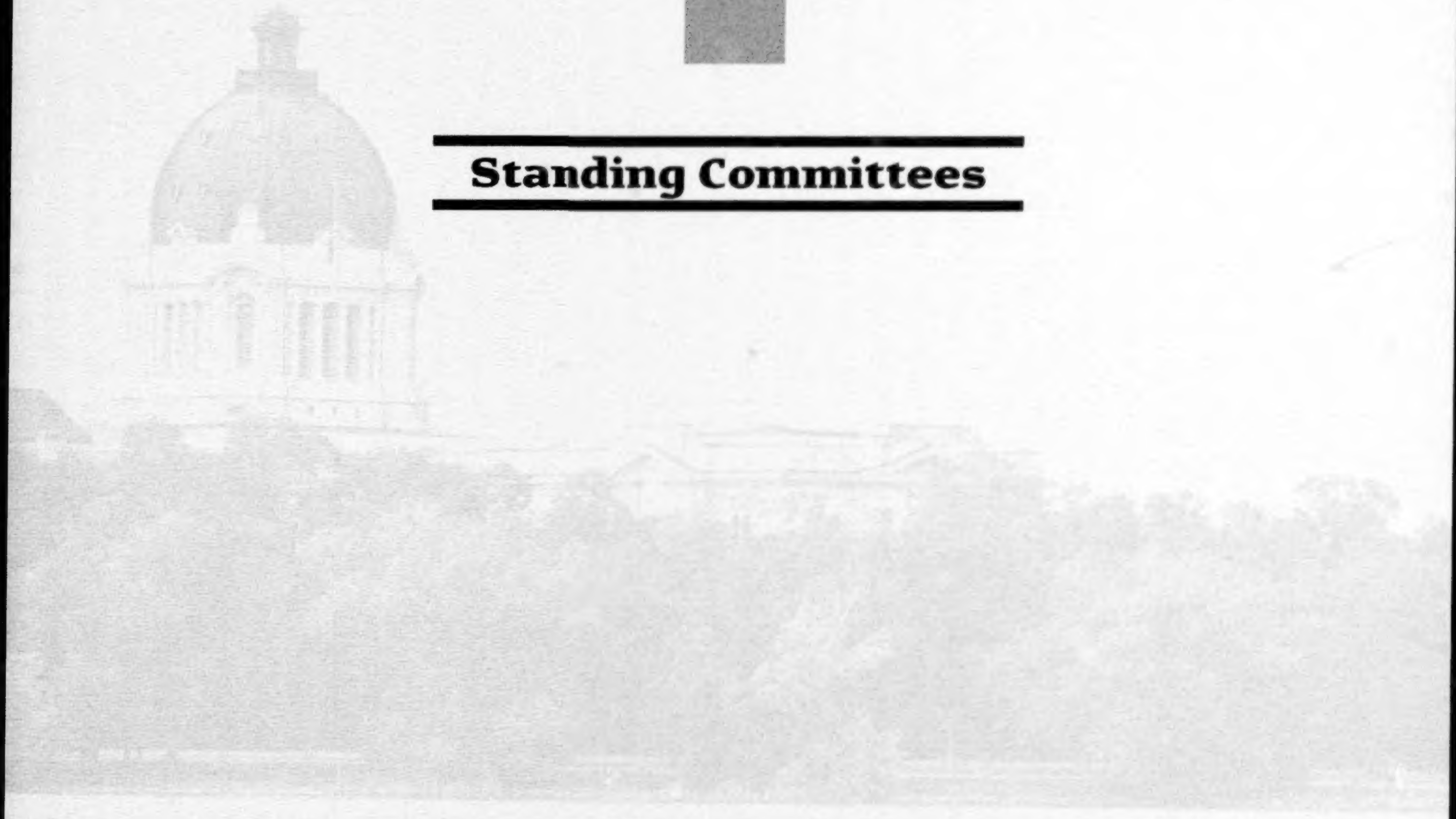
[2] www.wsask.ca/About-WSA/Publications/State-of-the-Watershed-Report---2010/ (21 September 2016).

[3] *2015 State of the Environment Report*, p. 72-74. http://publications.gov.sk.ca/documents/66/82781-English.pdf (21 September 2016).

[4] The Plan outlines 7 goals and 89 actions to help ensure the sustainability and quality of Saskatchewan's surface and groundwater supplies. Annually, the Agency's annual report (e.g., *Water Security Agency Annual Report for 2015-16)* includes its progress towards implementing the goals and actions set in the Plan.



Standing Committees

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Chapter 50
Standing Committee on Crown and Central Agencies

1.0 MAIN POINTS

Through its work and recommendations, the Standing Committee on Crown and Central Agencies (Committee) can help the Legislative Assembly (Assembly) hold the Government accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiary corporations. The Committee does this, in part, by reviewing chapters in our Reports, and the annual reports and financial statements of agencies within its subject area. It reports to the Assembly on the results of its review. These reports may contain recommendations resulting from our audit work.

On January 6, 2016, the Committee tabled a report with the Assembly on the results of its review. This report contains 66 Committee recommendations resulting from our audit work. At September 30, 2016, the Government had fully implemented 83% of these 66 recommendations, and partially implemented 91% of the remaining recommendations.

At September 30, 2016, the Committee had not reviewed several years of annual reports of CIC and two of its subsidiaries.

2.0 INTRODUCTION

This chapter provides an overview of the role and responsibilities of the Committee, focusing on those responsibilities related to our Office's work. Also, it describes the overall status of the Committee's recommendations resulting from our Office's work, the status of its consideration of our work, and the status of the Committee's review of annual reports of CIC and its subsidiary corporations.

2.1 Role and Responsibilities of the Standing Committee on Crown and Central Agencies

The Committee is one of the Assembly's four policy field committees. See **Figure 1** for a brief description of the responsibilities of a policy field committee.

Figure 1—Responsibilities of Policy Field Committees

The Legislative Assembly makes policy field committees responsible for examining certain documents within their assigned subject area. These documents include bills and regulations (proposed laws), estimates, and annual reports. During their reviews, these committees can consider issues of current concern, future objectives, and past performance.

Policy field committees can also conduct inquiries into matters within their mandated subject area. They provide the Assembly with reports on their activities and can make recommendations to the Assembly for its consideration.

The Standing Committee on House Services determines the membership of each policy field committee. Policy field committee meetings are open to the public. The Assembly's website contains information about the composition of each committee and records of their meetings (i.e., meeting notices, Hansard verbatim, minutes, videos, and reports).

> Each committee establishes a steering committee composed of the Chair and Deputy Chair. The steering committee determines how it will plan and organize its business and makes recommendations related to the committee's meeting agenda, the calling of witnesses, times of sittings, etc. Their meetings are conducted in-camera and, unless otherwise authorized, decisions made by the steering committee must be ratified by the full committee.

Source: www.legassembly.sk.ca/about/introduction-to-committees (5 October 2016).

The Committee's assigned subject area encompasses CIC and its subsidiary corporations, supply and services (e.g., Ministry of Central Services), central government agencies (e.g., Ministry of Finance), liquor, gaming, and all other revenue-related agencies and entities.

The Assembly has given the Committee the following responsibilities in addition to those typically given to a policy field committee:

- The Assembly, through *The Provincial Auditor Act* and under its Rules and Procedures, refers portions of our Reports (chapters) related to CIC and its subsidiaries to the Committee.[1] When the Committee considers chapters from our Reports, our Office and the corporation's appointed auditor, if any, attend to assist in its review.

- The Assembly requires the Minister responsible for CIC to notify the Committee, in writing, about significant transactions[2] of CIC and any of its subsidiaries within 90 days of the transaction. The notification must outline the objectives of the transaction, the financial implications, a statement of any changed liabilities, and the authority under which the transaction was made.[3]

- The Assembly periodically refers regulations and bylaws of professional associations (e.g., CPA Saskatchewan) to the Committee for its review.

For the period April 1, 2016 to September 30, 2016, the Committee met nine times.[4] The purpose of most of these meetings was to review bills and the 2016-17 estimates related to agencies within its subject area. It did not receive any significant transaction reports.

During this period, the Committee made two reports to the Assembly:

- One on May 25, 2016, related to its Steering Committee's *First Report*.[5] The report outlined how to proceed with public hearings for Bill No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016* in accordance with section 5(1) of *The Crown Corporations Public Ownership Act*.

- Another on June 13, 2016, related to its deliberations on Bill No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016*[6]

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[1] Section 14.1(8) of *The Provincial Auditor Act* and rule 143(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

[2] Significant transactions are defined by the Committee as those that are material in amount and outside the ordinary course of business, or are judged to be sensitive and likely of interest to legislators and the public.

[3] Rule 143(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

[4] Our *2016 Report – Volume 1*, Chapter 38, included the work of the Committee from April 1, 2015 to March 31, 2016 (the Committee met 10 times). This chapter includes the work of the Committee from April 1, 2016 to September 30, 2016 because the Government transitioned to a March 31 year end for CIC and its subsidiaries.

[5] www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/cca-steering-committee-report-1-28-legislature (5 October 2016).

[6] www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/cca_1_report_2016.pdf (5 October 2016).

Confidentiality notice: This may contain confidential information exempt from disclosure under *The Provincial Auditor Act*.

Figure 2 sets out the membership of the Standing Committee on Crown and Central Agencies at September 30, 2016.

Figure 2—Members of the Standing Committee on Crown and Central Agencies at September 30, 2016

Name of Member	
Colleen Young, Chair Carla Beck, Deputy Chair Fred Bradshaw Kevin Phillips	Terry Dennis Warren Kaeding Hugh Nerlien

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/ (5 October 2016).

3.0 STATUS OF COMMITTEE WORK

3.1 Committee Work Related to our Audit Work

The Committee's January 6, 2016 report (i.e., *Eighth Report to the 27th Legislature* [4th Session of the 27th Legislature]) is its last report to the Assembly containing the Committee's recommendations resulting from its review of our Reports. This report contained 66 recommendations resulting from its work for the period August 23, 2007 to January 5, 2016.[7]

The Committee has not met since September 15, 2015 to consider chapters in our Reports related to CIC and its subsidiaries. At September 30, 2016, it has plans to meet in December 2016 to consider the chapters reflected in **Figure 3**.

Figure 3—Relevant Chapters of Provincial Auditor Reports that the Standing Committee on Crown and Central Agencies Had Not Yet Considered as of September 30, 2016

Agency	Related Provincial Auditor Report	Chapter	Number of New Recommendations to be Considered
Crown Investments Corporation of Saskatchewan	2013 Report – Volume 2	39	-
	2014 Report – Volume 1	12	1
	2016 Report – Volume 1	1	-
	2016 Report – Volume 1	9	4
	2016 Report – Volume 1	31	-
SaskEnergy Incorporated	2015 Report – Volume 1	30	-
Saskatchewan Government Insurance	2015 Report – Volume 1	15	6
	2016 Report – Volume 1	15	5
Saskatchewan Opportunities Corporation	2015 Report – Volume 1	29	-
Saskatchewan Power Corporation	2014 Report – Volume 1	28	-
	2014 Report – Volume 1	29	-
	2015 Report – Volume 1	17	4
	2015 Report – Volume 1	18	3

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[7] The Committee's previous report to the Assembly resulting from its review of our Reports was the *Tenth Report to the 25th Legislature* (3rd Session of the 25th Legislature) tabled on August 23, 2007.

Agency	Related Provincial Auditor Report	Chapter	Number of New Recommendations to be Considered
Saskatchewan Transportation Company	2009 Report – Volume 1	14	-
Saskatchewan Water Corporation	2014 Report – Volume 1	4	-
	2014 Report – Volume 1	27	-
	2015 Report – Volume 1	3	-
Standing Committee on Crown and Central Agencies	2015 Report – Volume 1	33	-
	2016 Report – Volume 1	38	-

Source: Committees Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee.*

3.2 Implementation of Committee's Recommendations

The Committee has asked our Office to assess and report on the status of the recommendations the Committee makes and reports to the Assembly as a result of our audit work. We assess the status of financial-related recommendations each year as part of the annual integrated audits. We assess other recommendations, as part of audit follow-ups, either two or three years after the original audit, and subsequently every two or three years until the recommendations are either implemented or no longer relevant.

CIC's and its subsidiaries' implementation of Committee's recommendations remained strong. By September 30, 2016, they had fully implemented 83% of the Committee's 66 recommendations; and partially implemented 91% of the remaining recommendations.

Section 4.0 lists recommendations agreed to by the Committee and not fully implemented by September 30, 2016. It does not include one recommendation included elsewhere in this Report related to our annual integrated audit of Saskatchewan Water Corporation.

3.3 Committee Review of CIC Sector Annual Reports

Annual reports are key accountability documents. As a policy field committee, the Committee is responsible for examining annual reports and their related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).

Each year, CIC and its subsidiary corporations prepare annual reports and financial statements for tabling in the Assembly.

As of September 30, 2016, the Committee had not completed its review of the annual reports of CIC (dating back to 2008), SaskEnergy Incorporated (dating back to 2012), and Saskatchewan Development Fund Corporation (for 2012 and 2013).[8]

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[8] Committees Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee.*

Confidentiality notice: This may contain confidential information exempt from disclosure under *The Provincial Auditor Act.*

4.0 STATUS OF COMMITTEE RECOMMENDATIONS

Committee Report Year	Outstanding Recommendations^	Status
Saskatchewan Opportunities Corporation – Maintaining Facilities in a Sustainable Way (*2012 Report – Volume 1*)		
2016	18-1 that Saskatchewan Opportunities Corporation document, for each of its facilities, current condition, key risks, and remaining life span in the context of the facility's intended use.	**Partially Implemented** (as of January 31, 2015)
2016	18-2 that Saskatchewan Opportunities Corporation expand its corporate maintenance plan to include all its maintenance objectives and priority strategies for the short and long term.	**Partially Implemented** (as of January 31, 2015)
Saskatchewan Power Corporation – Procurement (*2007 Report – Volume 3*)		
2016	23-2 that SaskPower consistently follow its established processes that require its staff to obtain the appropriate approval of the purchase prior to finalizing the purchase decision.	**Partially Implemented** (as of February 28, 2014)
2016	23-4 that SaskPower track problems with key suppliers and make this information available for purchasing decisions.	**Partially Implemented** (as of February 28, 2014)
Saskatchewan Power Corporation – Gas and Electrical Installation Inspection (*2011 Report – Volume 2*)		
2016	22-4 that SaskPower require management to review inspectors' rationale for not inspecting gas and electrical permits for high-risk installations.	**Partially Implemented** (as of March 31, 2014)
2016	22-7 that SaskPower periodically give its Board of Directors summary trend information on its gas and electrical inspection activities and common or emerging trends or risks in gas and electrical installations.	**Not Implemented** (as of March 31, 2014)
Saskatchewan Water Corporation – Maintaining Infrastructure (*2006 Report – Volume 1*)		
2016	12-1 that Saskatchewan Water Corporation compile reliable information detailing the water treatment and transmission infrastructure it owns and the condition of the infrastructure.	**Partially Implemented** (as of December 2, 2013)
2016	12-2 that Saskatchewan Water Corporation develop and use a maintenance plan for its water treatment and transmission infrastructure.	**Partially Implemented** (as of December 2, 2013)
SaskEnergy Incorporated – Securing SaskEnergy's SCADA System (*2013 Report – Volume 1*)		
2016	19-3 that SaskEnergy Incorporated configure its supervisory control and data acquisition system network to protect it from security threats.	**Partially Implemented** (as of March 20, 2015)
2016	19-4 that SaskEnergy Incorporated monitor the security of its supervisory control and data acquisition system.	**Partially Implemented** (as of March 20, 2015)

^ The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

Chapter 51
Standing Committee on Public Accounts

1.0 MAIN POINTS

The work of the Standing Committee on Public Accounts (Committee) is crucial for a well-managed parliamentary system of government. It provides a vital link in the chain of accountability over public resources; it contributes to the public's confidence in government.

The Committee's discussions and recommendations to the Legislative Assembly (Assembly) promote a more open and accountable government and better management of government operations. By questioning, requesting information, and making recommendations in its reports to the Assembly, the Committee acts as an agent of change for the management practices of government. This is evident, in part, through the extent of implementation of the Committee's recommendations.

The Government has fully implemented 62% of recommendations the Committee has made during the previous five years. It has partially implemented 51% of the remaining recommendations.

2.0 INTRODUCTION

This chapter provides an overview of the composition, role, and responsibilities of the Committee. It briefly describes what the Committee does, how it works, and how it reports to the Assembly.

It also sets out the extent to which the Government has implemented the Committee's past recommendations and the status of the Committee's review of our Reports.

3.0 OVERVIEW OF COMMITTEE'S ROLE AND RESPONSIBILITIES

3.1 Committee Composition

At the beginning of each Legislature, the Assembly appoints members to the Committee. The Chair of the Committee is a member of the Opposition and the Deputy Chair is a member of the Government.

On March 4, 2013, *The Rules and Procedures of the Legislative Assembly of Saskatchewan*[1] changed to expand the Committee from seven members and a membership based on the ratio of party standings in the Assembly to eight members, including two members of the Opposition for the duration of the 27th Legislature. This practice has continued into the 28th Legislature. **Figure 1** sets out the members of the Committee as of September 30, 2016.

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[1] www.legassembly.sk.ca/about/rules-and-procedures (5 October 2016).

Figure 1—Members of the Standing Committee on Public Accounts at September 30, 2016

Name of Member	
Danielle Chartier, Chair	Herb Cox
Larry Doke, Deputy Chair	Warren Michelson
Glen Hart	Randy Weekes
Jennifer Campeau	Nicole Sarauer

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/ (5 October 2016).

3.2 Responsibilities Include Review of Public Accounts and Our Reports

The Committee helps the Assembly hold the Government accountable for its management of public resources. *The Rules and Procedures of the Legislative Assembly of Saskatchewan* require the Committee to review and report to the Assembly on the results of its review of the Public Accounts and of the Reports of the Provincial Auditor.

The Assembly refers the Public Accounts and the Reports of our Office to the Committee.[2] The following provides a brief description of each:

- The Public Accounts consist of two volumes. The first volume contains the Summary Financial Statements of the Government and a Financial Statement Discussion and Analysis section. The second volume contains details on revenues and expenditures of the General Revenue Fund. This volume includes comparisons of appropriations to expenditures by vote and by program, and details of expenses (e.g., payees who received $50,000 or more for salaries and benefits, transfers, or goods and services). It also includes key financial information of some pension plans and trust funds administered by the Government, remission of taxes and fees, and information on road-use fuel tax accountability.[3]

- The Reports of the Provincial Auditor contain the results of our examinations of the Government and its various agencies.

  The Committee has asked us to monitor compliance with its recommendations and to report on their status. Chapters within our Reports identify whether the Committee agrees with our recommendations, or made its own recommendations. Chapters within our Reports provide an update on the status of implementation of recommendations. Also, each year, our Office reports on the implementation of recommendations in our *Business and Financial Plan* and our *Annual Report on Operations.*

Because of its role to scrutinize the Government's management of public resources and to review our Reports, we view this Committee as the audit committee for the Assembly and thus, for the public.

The Committee's meetings are televised and open to the public. In its deliberations, the Committee is not fundamentally concerned with matters of policy; rather, it questions the economy and effectiveness of the administration of government programs. The Committee reviews the activities, performance, and reports of government ministries, agencies, and certain Crown corporations (agencies). During its review, the Committee may inquire about past performance, current concerns, and future objectives. The Committee's discussions include broader issues such as strategic plans, key risks to achieving goals and objectives, and performance measurement.

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[2] Certain chapters within our Reports are referred to the Standing Committee on Crown and Central Agencies.
[3] www.finance.gov.sk.ca (5 October 2016).

Government officials attend the Committee meetings to answer questions about the administration of their agencies. Our Office attends the meetings to help the Committee in its reviews. The Committee discusses and recommends actions on issues that Committee members and our Office raise.

3.3 Reports of the Committee

The Committee formally reports its findings and recommendations to the Assembly. Typically, it does this at the end of each legislative session. Its reports, once tabled in the Assembly, are publicly available on the Committee's website.[4]

The Committee requires the Government to respond in writing to its reports. The Government's response is publicly available on the Committee's website. The Committee's website also makes information about the composition of the Committee and records of the Committee's meetings (i.e., Hansard verbatims, minutes, videos, and reports) available.

During 2015-16, the Committee presented three reports to the Assembly:[5]

- The *First Report of the 27th Legislature* was presented on May 14, 2015. This report summarizes the Provincial Auditor selection process and makes a formal recommendation for appointment.

- The *Second Report of the 27th Legislature* was presented on November 4, 2015. It summarizes the results of the work of the Committee for the period of December 12, 2011 to September 17, 2015, and contains over 620 recommendations.

- The *Third Report of the 27th Legislature* was presented on January 19, 2016. It summarizes the results of the work of the Committee for the period of September 17, 2015 to January 14, 2016, and contains 68 recommendations.

4.0 IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

Consistent with prior years, the implementation of the Committee's recommendations by the Government and its agencies remains strong. As of September 2016, the Government has fully implemented 62% (March 2016: 60%)[6] of the Committee's recommendations. The Government has partially implemented 51% (March 2016: 43%) of the remaining recommendations.[7]

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[4] www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (5 October 2016).

[5] Ibid.

[6] This was the timing of our last chapter on the Committee's work and the extent to which the Government implemented the Committee's recommendations.

[7] Calculations are based on the Committee's recommendations up to and including the *Third Report to the 27th Legislature* at January 19, 2016.

Section 6.0 sets out the number of Committee recommendations not yet implemented and the last Report our Office provided an update on the recommendations. Our Office follows up the status of these recommendations until they are implemented or no longer relevant.

5.0 STATUS OF COMMITTEE'S REVIEW OF OUR REPORTS

Since March 2016 (the timing of our last chapter on the Committee's work), the Assembly has referred four of our Reports which include the results of our examinations of the Government and its agencies to the Committee for its review.

For the period April 1, 2016 to September 30, 2016, the Committee met three times.[8] It reviewed our Reports at two of its meetings.[9] The Committee's review included chapters from our 2014 Report (Volume 2), 2015 Report (Volumes 1 and 2), and 2016 Report (Volume 1).

As of September 30, 2016, the Committee had not yet completed its review of all chapters in the following Reports:

- 2 of 26 chapters from our *2015 Report – Volume 1*
- 23 of 56 chapters from our *2015 Report – Volume 2*
- 25 of 39 chapters from our *2016 Report – Volume 1*
- *Special Report: Land Acquisition Processes*

6.0 STATUS OF PREVIOUS COMMITTEE RECOMMENDATIONS

The following table sets out the number of Committee recommendations not yet implemented and the last Report our Office provided an update. Our intent is to follow up on these recommendations in the future.

Agency	Chapter Title (Initial PAS^ Report)	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Ministries and Secretariats:			
Advanced Education	Working with the Advanced Education Sector (*2015 Report – Volume 1*, Chapter 7)	Same as Initial PAS Report	2
Agriculture	Livestock Waste Regulation (*2013 Report – Volume 2*, Chapter 28)	*2015 Report – Volume 2*, Chapter 42	1

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[8] Our *2016 Report – Volume 1* included the work of the Committee from October 1, 2014 to March 31, 2016 (the Committee met 20 times). It provided a more timely update on the status of recommendations since three reports were presented to the Assembly between May 2015 and January 2016.

[9] At the other meeting, the Committee met to discuss other matters (e.g., election of the Chair and Deputy Chair, establishment of the steering committee, and representation at the Canadian Council of Public Accounts Committees/Canadian Council of Legislative Auditors annual conference).

Agency	Chapter Title (Initial PAS[A] Report)	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Central Services	Data Centre Security	*2016 Report – Volume 1*, Chapter 5	2
	Planning Accommodation (*2011 Report – Volume 1*, Chapter 5)	*2014 Report – Volume 1*, Chapter 18	4
Economy	Nominating Qualified Immigration Applicants (*2013 Report – Volume 1*, Chapter 12)	*2016 Report – Volume 1*, Chapter 19	2
	Managing Oil and Gas Wells (*2012 Report – Volume 2*, Chapter 31)	*2015 Report – Volume 1*, Chapter 19	6
	Monitoring IT Service Providers (*2014 Report – Volume 2*, Chapter 32)	Same as Initial PAS Report	3
	Regulating Pipelines (*2012 Report – Volume 1*, Chapter 5)	*2014 Report – Volume 2*, Chapter 43	5
Education	School Instruction Time for Students (*2009 Report – Volume 3*, Chapter 4)	*2016 Report – Volume 1*, Chapter 20	2
	Grade 12 Graduation Rates (*2012 Report – Volume 1*, Chapter 2)	*2014 Report – Volume 1*, Chapter 19	10
	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	7
	Capital Asset Planning for Schools (*2013 Report – Volume 1*, Chapter 8)	*2015 Report – Volume 1*, Chapter 20	5
	Putting into Operation the Education Sector-Wide Strategic Plan (*2015 Report – Volume 1*, Chapter 9)	Same as Initial PAS Report	2
Environment	Contaminated Sites (*2008 Report – Volume 1*, Chapter 4)	*2014 Report – Volume 2*, Chapter 45	3
	Regulating Reforestation (*2009 Report – Volume 3*, Chapter 6)	*2014 Report – Volume 1*, Chapter 21	3
	Landfills Regulation (*2013 Report – Volume 2*, Chapter 29)	*2015 Report – Volume 2*, Chapter 45	7
Finance	Contaminated Sites (*2008 Report – Volume 1*, Chapter 4)	*2014 Report – Volume 2*, Chapter 45	2
	Internal Audit in Ministries (*2012 Report – Volume 2*, Chapter 30)	*2014 Report – Volume 2*, Chapter 46	6
	Modernizing Government Budgeting and Financial Reporting (*2013 Special Report*)	*2016 Report – Volume 1*, Chapter 18	8
Government Relations	Safe Drinking Water in Northern Settlements (*2012 Report – Volume 1*, Chapter 12)	*2016 Report – Volume 1*, Chapter 24	5
Health	Preventing Diabetes-Related Health Complications (*2012 Report – Volume 2*, Chapter 32)	*2015 Report – Volume 1*, Chapter 23	8

Agency	Chapter Title (Initial PAS^ Report)	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
	Regulating Meat Safety (*2012 Report – Volume 2*, Chapter 33)	*2014 Report – Volume 2*, Chapter 41	7
	Regulating Personal Care Homes (*2012 Report – Volume 2*, Chapter 34)	*2014 Report – Volume 2*, Chapter 48	1
Justice	Adult Inmate Rehabilitation (*2008 Report – Volume 1*, Chapter 2)	*2015 Report – Volume 2*, Chapter 47	3
	Community Rehabilitation of Adult Offenders (*2011 Report – Volume 1*, Chapter 3)	*2013 Report – Volume 1*, Chapter 28	7
	Protecting Saskatchewan Data (*2011 Report – Volume 2*, Chapter 20)	*2013 Report – Volume 2*, Chapter 37	1
	Maintaining the Integrity of Offender Data (*2012 Report – Volume 2*, Chapter 27)	*2015 Report – Volume 2*, Chapter 48	2
	Management of Provincial Court Workloads (*2014 Report – Volume 1*, Chapter 10)	Same as Initial PAS Report	6
Parks, Culture and Sport	Provincial Parks Capital Asset Planning (*2009 Report – Volume 2*, Chapter 18)	*2015 Report – Volume 1*, Chapter 24	3
Social Services	Protection of Children in Care (*2013 Report – Volume 2*, Chapter 24)	*2016 Report – Volume 1*, Chapter 33	5
	Supervision of Community-Based Organizations (*2012 Report – Volume 1*, Chapter 22)	*2014 Report – Volume 2*, Chapter 55	5
	Placing Minister's Wards in Permanent Homes (*2013 Report – Volume 1*, Chapter 14)	*2015 Report – Volume 1*, Chapter 31	3
Crown Agencies:			
eHealth Saskatchewan	Implementing Electronic Health Records (*2009 Report – Volume 3*, Chapter 10C)	*2016 Report – Volume 1*, Chapter 22	1
	Buying IT Services (*2010 Report – Volume 1*, Chapter 6)	*2016 Report – Volume 1*, Chapter 21	2
	Protecting Patient Information in the Saskatchewan Laboratory Results Repository (*2015 Report – Volume 1*, Chapter 10)	Same as Initial PAS Report	5
Saskatchewan Apprenticeship and Trade Certification Commission	Enabling Apprentices to Achieve Certification (*2014 Report – Volume 1*, Chapter 11)	*2016 Report – Volume 1*, Chapter 30	2
Saskatchewan Crop Insurance Corporation	AgriStability Benefits (*2013 Report – Volume 1*, Chapter 7)	*2015 Report – Volume 2*, Chapter 53	2

Agency	Chapter Title (Initial PAS[A] Report)	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Saskatchewan Housing Corporation	Housing Maintenance (*2012 Report – Volume 1*, Chapter 24)	*2014 Report – Volume 1*, Chapter 26	4
Saskatchewan Liquor and Gaming Authority	Liquor Procurement (*2012 Report – Volume 1*, Chapter 17)	*2015 Report – Volume 2*, Chapter 54	3
SaskBuilds Corporation	Evaluating Potential Use of P3s (*2015 Report – Volume 1*, Chapter 16)	Same as Initial PAS Report	5
Crown Agencies-Regional Health Authorities			
Cypress Regional Health Authority	IT Security (*2008 Report – Volume 3*, Chapter 10D)	*2014 Report – Volume 2*, Chapter 42	2
Five Hills Regional Health Authority	Nourishing and Safe Food Services in Long-Term Care Facilities (*2012 Report – Volume 2*, Chapter 28)	*2015 Report – Volume 1*, Chapter 22	4
Heartland Regional Health Authority	Medication Management in Long-Term Care Facilities (*2014 Report – Volume 2*, Chapter 35)	Same as Initial PAS Report	17
Kelsey Trail Regional Health Authority	Medical Equipment Maintenance (*2010 Report – Volume 2*, Chapter 11C)	*2015 Report – Volume 2*, Chapter 51	3
Prince Albert Parkland Regional Health Authority	IT Security (*2011 Report – Volume 1*, Chapter 11)	*2014 Report – Volume 2*, Chapter 52	1
Regina Qu'Appelle Regional Health Authority	Use of Surgical Facilities (*2013 Report – Volume 1*, Chapter 20)	*2015 Report – Volume 1*, Chapter 26	1
	Safe and Timely Discharge of Patients (*2015 Report – Volume 1*, Chapter 14)	Same as Initial PAS Report	11
Saskatoon Regional Health Authority	Protecting IT Infrastructure (*2010 Report – Volume 2*, Chapter 11D)	*2014 Report – Volume 2*, Chapter 54	3
	Triaging Emergency Department Patients (*2013 Report – Volume 2*, Chapter 30)	*2016 Report – Volume 1*, Chapter 32	5
Sun Country Regional Health Authority	Managing Medication (*2013 Report – Volume 2*, Chapter 31)	*2015 Report – Volume 2*, Chapter 55	1
Sunrise Regional Health Authority	Infection Prevention and Control in Long-Term Care Facilities (*2014 Report – Volume 1*, Chapter 13)	*2016 Report – Volume 1*, Chapter 34	4
Crown Agencies-School Divisions:			
Chinook School Division No. 211	Annual Integrated Audit	*2016 Report – Volume 1*, Chapter 3	1
	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	1[B]
Good Spirit School Division No. 204	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	1[B]

Agency	Chapter Title (Initial PAS[A] Report)	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Ile-a-la Crosse School Division No. 112	Annual Integrated Audit	*2016 Report – Volume 1*, Chapter 3	1
Northwest School Division No. 203	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	1
Northern Lights School Division No. 113	Annual Integrated Audit	*2016 Report – Volume 1*, Chapter 3	1
Prairie South School Division No. 210	Equipping the Board with Knowledge and Competencies to Govern (*2015 Report – Volume 1*, Chapter 13)	Same as Initial PAS Report	4
Prince Albert Roman Catholic Separate School Division No. 6	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	1
Regina Roman Catholic Separate School Division No. 81	Physical Safety of Students (*2013 Report – Volume 1*, Chapter 13)	*2015 Report – Volume 2*, Chapter 52	8
Regina School Division No. 4	Physical Safety of Students (*2013 Report – Volume 1*, Chapter 13)	*2015 Report – Volume 2*, Chapter 52	5
St. Paul's School Roman Catholic Separate Division No. 20	Transporting Students Safely (*2012 Report – Volume 2*, Chapter 36)	*2014 Report – Volume 2*, Chapter 44	1[B]
Other Agencies:			
University of Regina	Protecting Interests in Research (*2013 Report – Volume 1*, Chapter 15)	*2015 Report – Volume 1*, Chapter 32	13
	Procurement of Goods and Services and Disposal of Surplus Assets (*2013 Report – Volume 2*, Chapter 32)	*2016 Report – Volume 1*, Chapter 36	4

Source: Provincial Auditor Saskatchewan (October 2016).

Shaded rows are annual integrated audits. All others are performance audits.

[A] PAS – Provincial Auditor Saskatchewan.

[B] The 2012 audit had one recommendation with a number of areas of improvement included. For the 2014 follow up, the Office split these areas of improvement into separate recommendations. Therefore, in 2014, Chinook's recommendation became four, Good Spirit's recommendation became four, and St. Paul's recommendation became five.

Appendix 1

Agencies Subject to Examination under *The Provincial Auditor Act* and Status of Audits

Our goal is to give the Legislative Assembly timely reports on the results of our examinations. We do not delay our reports to accommodate incomplete audits, but rather include their results in a future report. We aim to report the results of our annual integrated audits of agencies with December fiscal year-ends in the spring (i.e., Report – Volume 1) and agencies with March fiscal year-ends in the fall (i.e., Report – Volume 2). Also, we report the results of our follow-ups and performance audits in the report following their completion.

The table below lists the agencies subject to examination under *The Provincial Auditor Act* at July 31, 2016 along with their fiscal year-end. Agencies subject to our examination include ministries, Crown agencies, Crown-controlled corporations, special purpose and trust funds, other agencies that administer public money, and offices of the Legislative Assembly.

For each of these agencies, the table sets out the status of our annual integrated audits at October 27, 2016. It also indicates whether we are or have reported matters for the Assembly's attention within the last twelve months, and if so, it identifies the relevant Report.

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Government of Saskatchewan – Summary Financial Statements	March 31	Complete	Yes/2016 Rpt V1
Ministries and Secretariats:			
Ministry of Advanced Education	March 31	Complete	Yes/2016 Rpt V2
Ministry of Agriculture	March 31	Complete	Yes/2016 Rpt V2
Ministry of Central Services	March 31	Complete	Yes/2016 Rpt V1 & V2
Ministry of the Economy	March 31	Complete	Yes/ 2016 Rpt V1 & V2
Ministry of Education	March 31	Complete	Yes/2016 Rpt V1
Ministry of Environment	March 31	Complete	Yes/2016 Rpt V1 & V2
Ministry of Finance	March 31	Complete	Yes/2016 Rpt V1 & V2
Ministry of Government Relations	March 31	Complete	Yes/2016 Rpt V1 & V2
Ministry of Health	March 31	Complete	Yes/2016 Rpt V2
Ministry of Highways and Infrastructure	March 31	Complete	Yes/2016 Rpt V1, Jun 2016 Rpt, & 2016 V2
Ministry of Justice	March 31	Complete	Yes/2016 Rpt V1 & V2
Ministry of Labour Relations and Workplace Safety	March 31	Complete	No
Ministry of Parks, Culture and Sport	March 31	Complete	Yes/2016 Rpt V2
Ministry of Social Services	March 31	Complete	Yes/2016 Rpt V1 & V2
Executive Council	March 31	Complete	No
Public Service Commission	March 31	Complete	Yes/2016 Rpt V2
Crown Agencies:			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No
Agricultural Implements Board	March 31	Complete	No
Carlton Trail College	June 30	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Chinook School Division No. 211	August 31	Complete	Yes/2016 Rpt V1
Christ the Teacher Roman Catholic Separate School Division No. 212	August 31	Complete	No
Community Initiatives Fund	March 31	Complete	No
Conseil des Ecoles Fransaskoises School Division No. 310	August 31	Complete	Yes/2016 Rpt V2
Creative Saskatchewan	March 31	Complete	No
Creighton School Division No. 111	August 31	Complete	No
Cumberland College	June 30	Complete	No
Cypress Regional Health Authority	March 31	Complete	Yes/2016 Rpt V2
eHealth Saskatchewan	March 31	Complete	Yes/2016 Rpt V1 & V2
Englefeld Protestant Separate School Division No. 132	August 31	Complete	No
Five Hills Regional Health Authority	March 31	Complete	No
Global Transportation Hub Authority, The	March 31	Complete	Yes/Jun 2016 Rpt
Good Spirit School Division No. 204	August 31	Complete	No
Government House Foundation, The	March 31	Complete	No
Great Plains College	June 30	Complete	No
Health Quality Council	March 31	Complete	Yes/2016 Rpt V2
Heartland Regional Health Authority	March 31	Complete	No
Health Shared Services Saskatchewan (3sHealth)	March 31	Complete	No
Holy Family Roman Catholic Separate School Division No. 140	August 31	Complete	No
Holy Trinity Roman Catholic Separate School Division No. 22	August 31	Complete	Yes/2016 Rpt V1
Horizon School Division No. 205	August 31	Complete	No
Ile-a-la Crosse School Division No. 112	August 31	Complete	Yes/2016 Rpt V1
Keewatin Yatthé Regional Health Authority	March 31	Complete	Yes/2016 Rpt V2
Kelsey Trail Regional Health Authority	March 31	Complete	No
Innovation Saskatchewan	March 31	Complete	No
Law Reform Commission of Saskatchewan	March 31	Complete	No
Light of Christ Roman Catholic Separate School Division No. 16	August 31	Complete	No
Liquor and Gaming Authority	March 31	Complete	Yes/2016 Rpt V2
Living Sky School Division No. 202	August 31	Complete	No
Lloydminster Roman Catholic Separate School Division No. 89	August 31	Complete	No
Lloydminster Public School Division No. 99	August 31	Complete	Yes/2016 Rpt V1
Mamawetan Churchill River Regional Health Authority	March 31	Complete	Yes/2016 Rpt V2
Métis Development Fund	December 31	Complete	No
Municipal Financing Corporation of Saskatchewan	December 31	Complete	No
Municipal Potash Tax Sharing Administration Board	December 31	Complete	No
North East School Division No. 200	August 31	Complete	Yes/2016 Rpt V1
North Sask. Laundry & Support Services Ltd.	March 31	Complete, Note 2	No
North West College	June 30	Complete	No
Northwest School Division No. 203	August 31	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Northern Lights School Division No. 113	August 31	Complete	Yes/2016 Rpt V1
Northlands College	June 30	Complete	No
Operator Certification Board	March 31	Complete	No
Owners, The: Condominium Corporation No. 101100609	March 31	Complete	No
Parkland College	June 30	Complete	No
Physician Recruitment Agency of Saskatchewan	March 31	Complete	No
Prairie Agricultural Machinery Institute	March 31	Complete	No
Prairie North Regional Health Authority	March 31	Complete	Yes/2016 Rpt V1 & V2
Prairie South School Division No. 210	August 31	Complete	No
Prairie Spirit School Division No. 206	August 31	Complete	Yes/2016 Rpt V1
Prairie Valley School Division No. 208	August 31	Complete	No
Prince Albert Parkland Regional Health Authority	March 31	Complete	Yes/2016 Rpt V2
Prince Albert Roman Catholic Separate School Division No. 6	August 31	Complete	No
Provincial Archives of Saskatchewan (formerly Saskatchewan Archives Board)	March 31	Complete	No
Regina Qu'Appelle Regional Health Authority	March 31	Complete	Yes/2016 Rpt V2
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	Yes/2016 Rpt V2
Regina School Division No. 4	August 31	Complete	Yes/2016 Rpt V1
Saskatchewan Apprenticeship and Trade Certification Commission	June 30	Complete	Yes/2016 Rpt V1
Saskatchewan Arts Board, The	March 31	Complete	No
Saskatchewan Association of Health Organizations Inc.	March 31	Complete	No
Saskatchewan Cancer Agency	March 31	Complete	Yes/2016 Rpt V1
Saskatchewan Centre of the Arts	March 31	Complete	No
Saskatchewan Crop Insurance Corporation	March 31	Complete	No
Saskatchewan Grain Car Corporation	July 31	Complete	No
Saskatchewan Health Research Foundation	March 31	Complete	No
Saskatchewan Heritage Foundation	March 31	Complete	No
Saskatchewan Housing Corporation	December 31	Complete	No
Saskatchewan Impaired Driver Treatment Centre Board of Governors	March 31	Complete	No
Saskatchewan Indian Gaming Authority Inc.	March 31	Complete	Yes/2016 Rpt V2
Saskatchewan Polytechnic	June 30	Complete	No
Saskatchewan Legal Aid Commission	March 31	Complete	Yes/2016 Rpt V1
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31	Complete	No
Saskatchewan Research Council	March 31	Complete	No
Saskatchewan Rivers School Division No. 119	August 31	Complete	Yes/2016 Rpt V2
Saskatoon Regional Health Authority	March 31	Complete	Yes/2016 Rpt V1
Saskatoon School Division No. 13	August 31	Complete	Yes/2016 Rpt V2
SaskBuilds Corporation	March 31	Complete	No
South East Cornerstone School Division No. 209	August 31	Complete	Yes/2016 Rpt V2
Southeast College	June 30	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
St. Paul's Roman Catholic Separate School Division No. 20	August 31	Complete	No
Sun Country Regional Health Authority	March 31	Complete	No
Sun West School Division No. 207	August 31	Complete	No
Sunrise Regional Health Authority	March 31	Complete	Yes/2016 Rpt V1 & V2
TecMark International Commercialization Inc.	March 31	Note 1	
Tourism Saskatchewan	March 31	Complete	No
Water Appeal Board	March 31	Complete	No
Water Security Agency	March 31	Complete	Yes/2016 Rpt V1 & V2
Western Development Museum	March 31	Complete	Yes/2016 Rpt V2
Workers' Compensation Board	December 31	Complete	Yes/2016 Rpt V2
CIC Crown Corporations and related agencies:			
101069101 Saskatchewan Ltd.	March 31	Note 1	
Avonlea Holding, Inc.	March 31	Note 1	
Battleford International, Inc.	March 31	Note 1	
Bayhurst Energy Services Corporation	March 31	Note 1	
Bayhurst Gas Limited	March 31	Note 1	
BG Storage Inc.	March 31	Note 1	
Bruno Holdings Inc.	March 31	Note 1	
CIC Asset Management Inc.	March 31	Complete	No
CIC Economic Holdco Ltd.	March 31	Note 1	
CIC FTLP Holdings Inc.	March 31	Note 1	
CIC FTMI Holdings Inc.	March 31	Note 1	
CIC OSB Products Inc.	March 31	Note 1, 6	
CIC Pulp Ltd.	March 31	Note 1	
Coachman Insurance Company	December 31	Complete	No
Crown Investments Corporation of Saskatchewan	March 31	Complete	No
DirectWest Canada Inc.	March 31	Note 1	
DirectWest Corporation	March 31	Complete	No
First Nations and Métis Fund Inc.	March 31	Complete	No
Gradworks Inc.	March 31	Complete	Yes/2016 Rpt V1
Invest Sask Holdings Inc.	March 31	Note 1, 7	
Investment Saskatchewan Swine Inc.	March 31	Note 1	
Manalta Investment Company Ltd.	March 31	Note 1	
Many Islands Pipe Lines (Canada) Limited	March 31	Note 1	
Nokomis Holding, Inc.	March 31	Note 1	
Northpoint Energy Solutions Inc.	March 31	Complete	No
Qu'Appelle Holding, Inc.	March 31	Note 1	
Saskatchewan Auto Fund	March 31	Complete	No
Saskatchewan First Call Corporation	March 31	Note 1	
Saskatchewan Gaming Corporation	March 31	Complete	No
Saskatchewan Government Insurance	March 31	Complete	Yes/2016 Rpt V1
Saskatchewan Immigrant Investor Fund Inc.	March 31	Complete	Yes/2016 Rpt V1
Saskatchewan Opportunities Corporation	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Saskatchewan Power Corporation	March 31	Complete	No
Saskatchewan Telecommunications	March 31	Complete	No
Saskatchewan Telecommunications Holding Corporation	March 31	Complete	No
Saskatchewan Telecommunications International, Inc.	March 31	Complete	No
Saskatchewan Telecommunications International (Tanzania) Ltd.	March 31	Note 1	
Saskatchewan Transportation Company	March 31	Complete	No
Saskatchewan Water Corporation	March 31	Complete	No
SaskEnergy Incorporated	March 31	Complete	No
SaskPower International Inc.	March 31	Note 1	
SaskTel International Consulting, Inc.	March 31	Note 1	
SaskTel Investments Inc.	March 31	Note 1	
SecurTek Monitoring Solutions Inc.	March 31	Complete	No
SGC Holdings Inc.	March 31	Complete	No
SGI CANADA Insurance Services Ltd.	December 31	Complete	No
Shellbrook Holding, Inc.	March 31	Note 1	
TransGas Limited	March 31	Note 1	
Special purpose and trust funds including pension and benefit plans:			
Capital Pension Plan	December 31	Complete	Yes/2016 Rpt V1
Commercial Revolving Fund	March 31	Complete	No
Correctional Facilities Industries Revolving Fund	March 31	Complete	No
Criminal Property Forfeiture Fund	March 31	Complete	No
Crop Reinsurance Fund of Saskatchewan	March 31	Complete	No
Doukhobors of Canada C.C.U.B. Trust Fund	May 31	Complete	No
Education Scholarship Fund (formerly Prince of Wales Scholarship Fund)	March 31	Complete	No
Extended Health Care Plan	December 31	Complete	No
Extended Health Care Plan for Certain Other Employees	December 31	Complete	No
Extended Health Care Plan for Certain Other Retired Employees	December 31	Complete	No
Extended Health Care Plan for Retired Employees	December 31	Complete	No
Financial and Consumer Affairs Authority of Saskatchewan	March 31	Complete	No
Fish and Wildlife Development Fund	March 31	Complete	No
General Revenue Fund	March 31	Note 3	
Growth and Financial Security Fund	March 31	Note 3, 5	
Health Shared Services Saskatchewan Core Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – CUPE	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SEIU	December 31	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Health Shared Services Saskatchewan Disability Income Plan – General	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SUN	December 31	Complete	No
Health Shared Services Saskatchewan Group Life Insurance Plan	December 31	Complete	No
Health Shared Services Saskatchewan In-scope Extended Health/Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-scope Extended Health/ Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-scope Flexible Health/ Spending Plan	December 31	Note 8	
Horned Cattle Fund	March 31	Complete	No
Institutional Control Monitoring and Maintenance Fund	March 31	Complete	No
Institutional Control Unforeseen Events Fund	March 31	Complete	No
Judges of the Provincial Court Superannuation Plan	March 31	Complete	No
Liquor Board Superannuation Plan	December 31	Complete	No
Livestock Services Revolving Fund	March 31	Complete, Note 4	No
Municipal Employees' Pension Commission	December 31	Complete	No
Northern Municipal Trust Account	December 31	Complete	Yes/2016 Rpt V2
Oil and Gas Orphan Fund	March 31	Complete	No
Orphaned Environmentally Impacted Sites Fund	March 31	Complete	No
Pastures Revolving Fund	March 31	Complete	No
Pension Plan for Employees of the Saskatchewan Workers' Compensation Board	December 31	Complete	No
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	December 31	Complete	No
Power Corporation Superannuation Plan	December 31	Complete	No
Provincial Mediation Board Trust Accounts	March 31	Complete	No
Public Employees Benefits Agency Revolving Fund	March 31	Complete	No
Public Employees Deferred Salary Leave Fund	December 31	Complete	No
Public Employees Dental Fund	December 31	Complete	No
Public Employees Disability Income Fund	December 31	Complete	No
Public Employees Group Life Insurance Fund	December 31	Complete	No
Public Employees Pension Plan	March 31	Complete	No
Public Service Superannuation Plan	March 31	Complete	No
Public Guardian and Trustee of Saskatchewan	March 31	Complete	No
Queen's Printer Revolving Fund	March 31	Complete	No
Residential Tenancies, Office of – Director's Trust Account	March 31	Complete	No
Sask 911 Account	March 31	Complete	No
Saskatchewan Agricultural Stabilization Fund	March 31	Complete	No
Saskatchewan Government Insurance Service Recognition Plan	December 31	Complete	No
Saskatchewan Government Insurance Superannuation Plan	December 31	Complete	No
Saskatchewan Pension Annuity Fund	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
Saskatchewan Pension Plan	December 31	Complete	No
Saskatchewan Power Corporation Designated Employee Benefit Plan	December 31	Complete	No
Saskatchewan Power Corporation Severance Pay Credits Plan	December 31	Complete	No
Saskatchewan Research Council Employees' Pension Plan	December 31	Complete	Yes
Saskatchewan Snowmobile Fund	March 31	Complete	No
Saskatchewan Student Aid Fund	March 31	Complete	No
Saskatchewan Telecommunications Pension Plan	December 31	Complete	No
Saskatchewan Water Corporation Retirement Allowance Plan	December 31	Complete	No
SaskEnergy Retiring Allowance Plan	December 31	Complete	No
SaskPower Supplementary Superannuation Plan	December 31	Complete	No
School Division Tax Loss Compensation Fund	March 31	Complete	No
Social Services Central Trust Account	March 31	Complete	No
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund	March 31	Complete	No
Social Services Valley View Centre Residents' Trust Account	March 31	Complete	No
Staff Pension Plan for Employees of the Saskatchewan Legal Aid Commission	December 31	Complete	No
Teachers' Dental Plan	June 30	Complete	Yes/2016 Rpt V2
Teachers' Disability Plan	June 30	Complete	No
Teachers' Group Life Plan	August 31	Complete	No
Teachers' Superannuation Plan	June 30	Complete	No
Training Completions Fund	March 31	Complete	No
Transportation Partnerships Fund	March 31	Complete	No
Victims' Fund	March 31	Complete	No
Water Security Agency Retirement Allowance Plan	March 31	Complete	No
Offices of the Legislative Assembly:			
Advocate for Children and Youth, Office of the	March 31	Complete	No
Board of Internal Economy/Legislative Assembly Service/Office of the Speaker	March 31	Complete	No
Chief Electoral Officer, Office of the	March 31	Complete	No
Conflict of Interest Commissioner, Office of the	March 31	Complete	No
Information and Privacy Commissioner, Office of the	March 31	Complete	No
Ombudsman, Office of the	March 31	Complete	No
Other agencies:			
Pension Plan for the Eligible Employees at the University of Saskatchewan	December 31	Complete	No
Pension Plan for the Academic and Administrative Employees of the University of Regina	December 31	Complete	No
Technical Safety Authority of Saskatchewan	June 30	Complete	Yes/2016 Rpt V1
University of Regina Non-Academic Pension Plan	December 31	Complete	No

Agency	Fiscal Year-End[A]	Status at October 27, 2016[B]	Matters Reported / Related Report(s)[C]
University of Regina	April 30	Complete	Yes/2016 Rpt V1
University of Saskatchewan 1999 Academic Pension Plan	December 31	Complete	No
University of Saskatchewan 2000 Academic Money Purchase Pension Plan	December 31	Complete	No
University of Saskatchewan Academic Employees' Pension Plan	December 31	Complete	No
University of Saskatchewan and Federated Colleges Non-Academic Pension Plan	December 31	Complete	No
University of Saskatchewan	April 30	Complete	No

Note 1: These entities are wholly- or partially-owned subsidiary corporations that are included in the consolidated financial statements of a parent Crown agency.
Note 2: This entity was wound-up effective March 31, 2016.
Note 3: The Ministry of Finance does not prepare financial statements for this Fund.
Note 4: This entity had no active operations.
Note 5: This Fund was wound-up effective April 1, 2016.
Note 6: This entity was dissolved effective March 24, 2016.
Note 7: This entity was dissolved effective December 22, 2015.
Note 8: Prior to January 1, 2016, this plan was part of Health Shared Services of Saskatchewan but now is being reported separately. December 31, 2016, will be the first period-end audited by this Office.

A

Fiscal Year-end	Year of last completed integrated audit
March 31	2016
April 30	2016
May 31	2016
June 30	2016
July 31	2016
August 31	2015
September 30	2015
December 31	2015

B "Complete" – the audit was complete.
"Delayed" – the audit was delayed

C "No" – no significant issues were reported
"Yes/2016 Rpt V1" – significant issues are reported in our *2016 Report – Volume 1*
"Yes/Jun 2016 Rpt" – significant issues are reported in our *June 2016 Report – Land Acquisition Processes: Global Transportation Hub Authority and Ministry of Highways and Infrastructure*
"Yes/2016 Rpt V2" – significant issues are reported in our *2016 Report – Volume 2*

Appendix 2
Samples of Opinions We Form on Ministries, Crown Agencies, and Crown-Controlled Corporations

The Office's *Business and Financial Plan* and *Annual Report on Operations* describe the Office along with its plans for the upcoming year and financial and non-financial results. These are available on its website (www.auditor.sk.ca).

The scope of the Office's work includes the Government as a whole, sectors or programs of the Government, and individual government agencies (see **Appendix 1**). As *The Provincial Auditor Act* requires, it uses generally accepted assurance standards published by CPA Canada to carry out its audits. The following are samples of audit opinions formed as part of the annual integrated audits.

1. The Effectiveness of Internal Controls (Financial-Related)

I have audited [Agency]'s operating effectiveness of internal controls as of [Year-End] to express an opinion as to the effectiveness of its internal controls related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations, and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The Chartered Professional Accountants of Canada (CPA Canada) defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

[Agency]'s management is responsible for effective control related to the objectives described above. My responsibility is to express an opinion on the effectiveness of control based on my audit.

I used the control framework included in the *Guidance on Control* published by CPA Canada (control framework) to make my judgments about the effectiveness of [Agency]'s control. I did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

I conducted my audit in accordance with standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. Those standards require that I plan and perform an audit to obtain reasonable assurance as to the effectiveness of [Agency]'s control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks, and examining, on a test basis, evidence relating to control.

My audit on the effectiveness of [Agency]'s control related to the above objectives does not constitute an audit of internal control over financial reporting performed in conjunction with an audit of financial statements in *CPA Canada Handbook – Assurance* Section 5925 An Audit of Internal Control over Financial Reporting that is integrated with an Audit of Financial Statements.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities, and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

In my opinion, based on the limitations noted above, [Agency]'s internal controls were effective, in all material respects, to meet the objectives stated above as of [Year-end] based on the CPA Canada criteria of control framework.

Confidentiality notice: This may contain confidential information exempt from disclosure under *The Provincial Auditor Act*.

2. Compliance with Legislative Authorities

I have audited [Agency]'s compliance with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing, and investing activities during the year ended [Year-End]:

(List legislative and related authorities covered by this report. This list must include all relevant governing authorities.)

Compliance with the provisions of the stated legislative and related authorities is the responsibility of management of [Agency]. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. Those standards require that I plan and perform an audit to obtain reasonable assurance whether [Agency] complied with the criteria established by the legislative and related authorities referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, for the year ended [Year-End], [Agency] has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities.

3. The Reliability of Financial Statements

I have audited the accompanying financial statements of [Agency], which comprise the [statement of financial position] as at [Year-End], and the [statements of operations, change in net debt, and cash flow] for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with [acceptable financial reporting framework] for [Treasury Board's] approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of [Agency] as at [Year-End], and [insert appropriate wording to describe financial results] for the year then ended in accordance with [acceptable financial reporting framework].

Confidentiality notice: This may contain confidential information exempt from disclosure under *The Provincial Auditor Act*.